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Terrorism's Bloody Toll: 41 Killed in 2 Attacks

Two men posing as photographers entered a synagogue in Istanbul on Saturday and attacked the congregation with submachine guns and hand grenades. Twenty-three persons died in the attack, which occurred a day after gunmen dressed as security personnel seized a Pan American jumbo jet at Karachi airport. At least 18 persons died in that attack.

The acts drew expressions of outrage from around the world. Jewish leaders in the United States called them attacks against Western society, and Pope John Paul II expressed his "intense sadness" and "strongest condemnation."

Prime Minister Shimon Peres went on television to say that Israel would avenge the synagogue attack. In the past, Israel has carried out raids against Arab targets when Jewish or Israeli targets were attacked.

In both incidents there were conflicting claims of responsibility, and none was recognized as valid.

There was speculation that either or both acts could have been carried out by Islamic fundamentalists, or perhaps by a Palestinian faction headed by Abu Nidal. His group, which has been backed by both Libya and Syria, was believed responsible for the massacres in December at the Rome and Vienna airports.

Both men who attacked the synagogue died. Police officials said they were not sure whether the two gunmen had committed suicide or had been killed accidentally by their own grenades.

Officials in Pakistan said four men who had seized the plane were captured. The fact that they spoke Arabic and wanted to be flown to Cyprus to secure the release of colleagues in Cypriot prisons suggested that they were Palestinian guerrillas.

An anonymous caller told a Western news agency that the hijacking had been done on behalf of the *Libyan Revolutionary Cells*.

Libya and the Palestine Liberation Organization both said that they had not been involved in the attacks. The U.S. State Department said it had no indication of involvement by any country.

Daniloff Charged As a Spy

Newsman to Face Trial; Reagan Appeals Directly

By Felicity Barringer
New York Times Service

MOSCOW — Nicholas Daniloff, the imprisoned Moscow correspondent for U.S. News & World Report, was charged with espionage Sunday, the government-controlled evening news program reported.

Earlier, Mr. Daniloff telephoned a colleague on the magazine U.S. News & World Report to say that he had been taken before an official proceeding at 2 P.M. Sunday and notified of the charge.

Mr. Daniloff said that the filing of a charge allows the investigation in his case to be prolonged for six months before it goes to trial, or, if a special waiver is obtained, up to nine months.

"He doesn't have to be given access to a legal counsel until the investigation is over," Mr. Trimble said.

The charge, lodged against Mr. Daniloff under Article 65 of Soviet law, carry penalties ranging from death to imprisonment of up to 15 years.

Shortly after the charge had been filed but before they were made known, a Soviet official said on American television that Mr. Daniloff's case would be brought to trial.

"If you think he's innocent, we can learn pretty soon because there is going to be a trial," said Gennadi I. Gerasimov, a Foreign Ministry spokesman. He spoke via satellite from Moscow.

The charge was lodged against Mr. Daniloff two days after President Ronald Reagan sent a message to Mikhail S. Gorbachev, the Soviet leader, calling for the immediate release of Mr. Daniloff and giving Mr. Reagan's personal assurances that Mr. Daniloff was not a spy.

Mr. Reagan's message climaxed a week of growing public and private pressure on Soviet officials to release Mr. Daniloff, who was taken into custody Aug. 30 shortly after he had accepted a package from a Soviet acquaintance. The package turned out to contain materials marked secret.

Mr. Daniloff, during his 20-minute telephone conversation Sunday evening, several times expressed the wish that his case not affect U.S.-Soviet relations, according to Jeff Trimble, incoming Moscow correspondent for U.S. News & World Report.

Mr. Daniloff said he had no indi-

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Kurt Strumpf/The Associated Press

A victim of the Pan Am attack is transferred to an ambulance in Frankfurt.

Fotih Saribas/Reuters

Coffins of the Istanbul victims are removed from the Neve Shalom synagogue.

23 Jews Slain in Istanbul

By Henry Kamm
New York Times Service

ISTANBUL — Two Arabic-speaking gunmen posing as photographers entered a newly refurbished synagogue during Sabbath services Saturday in the Jewish quarter here and, after locking the doors with iron bars, attacked the congregation with submachine guns and hand grenades.

Twenty-three worshipers, including seven rabbis, were killed, and three others were wounded in the massacre that went on for three to five minutes and left the synagogue on fire.

The bodies of the gunmen were found in the carnage. Police officials said they were not sure whether the two gunmen committed suicide or were accidentally killed by their own grenades.

[Witnesses and survivors of the attack said Sunday that two gunmen fled the temple and escaped, United Press International reported.]

Witnesses described scenes of horror as bullets from automatic weapons raked the benches, worshipers in prayer shawls screamed and fell and blasts shook the Neve Shalom synagogue, the city's largest, in the Karakoy district near the Galata Tower on the European side of the Bosporus River.

"It's horrifying," said Hasan Ali Ozer, Istanbul's deputy governor.

Turkish security officials said two Czechoslovak-made submachine guns, seven unexploded Soviet-made hand grenades and more than 100 spent cartridges were found inside the synagogue after firemen put out the flames in the one-story building.

Bodies and parts of bodies littered the synagogue

Istanbul, Moslem Turkey's largest city with 5.5 million people, has a Jewish population of about 22,000 Turkish nationals, mostly descendants of the Sephardim who fled the Spanish Inquisition late in the 15th century and still speak a Spanish dialect known as Ladino.

Several anti-Israeli groups claimed responsibility for the attack. Anonymous telephone callers in Beirut made claims on behalf of the Moslem fundamentalist group Islamic Jihad, and for a group called Islamic Resistance, a pro-Iranian organization.

In Nicosia, Cyprus, a group calling itself the Palestinian Revenge Organization also claimed responsibility.

[On Sunday, a previously unknown group calling itself the International Fighting Front claimed it had staged the attack, The Associated Press reported from Beirut.]

But the Turkish authorities, while describing the gunmen as Ar-

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18 Are Dead in Karachi; 4 Hijackers Are in Custody

New York Times Service

KARACHI, Pakistan — Pakistani authorities said Sunday that all four gunmen who seized a Pan American jumbo jet on Friday were alive and were in custody.

The officials, revising earlier accounts of the hijacking, said Sunday that 18 persons had died in the incident — 16 passengers, 1 member of the Pan American cabin crew, and 1 ground crew employee. The officials said more than 100 people had been wounded by gunfire or otherwise injured.

Pakistani officials, contradicting an earlier report that two gunmen had been killed, said instead that one of the four had been seriously wounded.

[President Mohammed Zia ul-Haq said Sunday that the four gunmen would be hanged if convicted of hijacking and murder, The Associated Press reported from Karachi.

["They will receive the punishment that such a crime deserves," General Zia said. He said that the gunmen were Palestinians ranging in age from 19 to 25 and that they did not appear to be connected to any government.

[And United Press International, reporting from Karachi and quoting sources from Pakistan's Federal Investigation Agency, said that three men had been arrested Friday as alleged accomplices. Two of them were released, according to the report, and the third, identified only as Jacob, was charged with abetting the seizure by renting a van used by the hijackers.]

Other sources indicated that the four were from Beirut and that they had entered Pakistan last month on false Bahraini passports.

The hijacking began at 6 A.M. Friday, when four gunmen sped onto the Karachi airport tarmac in what looked like an airport security van and stormed aboard the New York-bound plane as passengers were boarding.

The gunmen, demanding to be flown to Cyprus to rescue imprisoned colleagues there, held the Boeing 747 and its 389 passengers at the airport until 10 P.M., when they began shooting and detonat-

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Arthur Tsang/Reuters

A passenger injured during the hijacking in Karachi is wheeled to a plane carrying victims to a hospital in Germany.

16 Desperate Hours Filled With Terror, Caring and Heroism

By Richard M. Weintraub
Washington Post Service

KARACHI, Pakistan — A sneaker belonging to a child lay on the tarmac beside the escape chute from the Boeing 747 jet. Its mate was perched on a tilted wing about 20 feet above, apparently dropped in the rush of passengers from the violence inside the plane.

Scattered about the tarmac was other evidence of the ordeal — a blood-soaked blanket, a blood-stained scarf, a pair of trousers with a deep red stain across the front. There were medicine bottles and eyeglasses, women's shoes and men's loafers.

In the fuselage of the plane were perhaps 20 or 30 bullet holes from when the hijackers, apparently panicked by loss of the plane's lights, screamed "Jihad!" and opened fire on the passengers.

According to passengers and accounts from officials involved in negotiations with the hijackers, the drama aboard Pan American Flight 073 began and ended with bloodshed. In between, for 16 hours, there were moments of terror, of caring, of heroic action.

Most of the 389 passengers and crew members were aboard the plane, shortly after 6 A.M. Friday, when the shooting began at the foot of the stairs leading up to the aircraft, which was parked at Karachi Airport. Four gunmen rushed aboard the plane, grabbing stewardesses and pointing guns at their heads.

The gunmen shouted, "Get down, get down!" one passenger recalled.

"They wanted to send a message that they meant business," a passenger said. They soon gave another vivid demonstration of their intent.

The gunmen, dressed in the blue uniforms of Pakistan's airport security force, ordered passengers from the first-class section to move into the area leading to the economy section. They ordered two Pan Am crew members still aboard the plane to contact the control tower. The three-member cockpit crew

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Deng Offers Condition To Meet Gorbachev

By Daniel Southerland
Washington Post Service

BEIJING — Deng Xiaoping, the Chinese leader, has offered to meet Mikhail S. Gorbachev if the Soviet Union is willing to take a "solid step" toward getting Vietnam to withdraw its troops from Cambodia, the official Chinese press agency reported.

"If the Soviet Union can contribute to the withdrawal of Vietnamese troops" from Cambodia, "this will remove the main obstacle in Sino-Soviet relations," the agency quoted Mr. Deng as saying.

"Once this problem is resolved, I will be ready to meet Gorbachev," Mr. Deng said, according to Saturday's account by Xinhua. "I believe a meeting like this will be of much significance to the improvement of Sino-Soviet relations and the normalization of Sino-Soviet state relations."

Mr. Deng made his remarks in a Sept. 2 interview with Mike Wallace, an American journalist with CBS. The interview was to be broadcast Sunday.

Diplomats said it was the first time that Mr. Deng has offered to meet with Mr. Gorbachev. Earlier this year, the Russians had offered to meet with high-ranking Chinese officials, but the offer was rejected.

China and the Soviet Union split over ideological differences in the 1960s. The last formal top-level meeting between the two countries took place in 1969 when the Soviet prime minister, Alexei N. Kosygin, met with his Chinese counterpart, Zhou Enlai, in Beijing.

The Chinese have cited three obstacles to talks. In addition to the Vietnamese occupation of Cambodia, the Chinese list the Soviet intervention in Afghanistan and the large Soviet troop presence along the Chinese-Soviet border.

Diplomats cautioned that Mr. Deng had selected the most difficult of the three obstacles as a condition for a meeting with Mr. Gorbachev.

Asian diplomats say that while the Russians provide Vietnam with heavy financial and logistical support for their occupation of Cambodia, they are not necessarily in a position to pressure the Vietnamese.

Mr. Deng also said that he hoped that President Ronald Reagan

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Reuters

Archbishop Desmond M. Tutu outside a cathedral in Cape Town, where he became the first black to lead the Anglican Church in southern Africa. Page 6.

Few Answers on Who's Responsible

By John Kifner
New York Times Service

CAIRO — Responsibility for two terrorist acts in the Middle East within 24 hours, the attack on an Istanbul synagogue and the hijacking of a Pan American airliner in Karachi, Pakistan, remained unclear Sunday evening.

With the police in both countries remaining silent and groups issuing conflicting statements claiming responsibility, speculation centered on two possibilities.

Officials said that either or both acts could have been carried out by Islamic fundamentalists who perhaps had forged links with the Palestinian guerrillas who have been infiltrating back into southern Lebanon in recent months.

There was also speculation that either or both acts could have been the work of the Palestinian terrorist Abu Nidal. His group, which has been backed by both Libya and Syria, is held responsible for a series of recent attacks, including the massacres at the Rome and Vienna airports in December.

It seems clear, both from the accounts of witnesses and from the political context, that both the Karachi and Istanbul attacks were carried out by Arab extremists. But in the labyrinth of Middle Eastern politics, the difficulty lies in determining just which group was responsible.

For the Karachi hijacking, responsibility was claimed in a telephone call to a Western news agency in Cyprus by a previously unknown group, the Libyan Revolutionary Cells, and in a typewritten statement to the Beirut daily An-Nahar by a group called Soldiers of God.

Responsibility for the attack on the Istanbul synagogue was claimed in Cyprus by the previously unknown Palestinian Revenge Organization and in Beirut by the Islamic Resistance, the Islamic Jihad and the previously unknown International Fighting Front.

The claims of responsibility are among the factors supporting the possibility that the terrorists had the backing of Moslem fundamentalists. They also underline the possibility that the attacks were linked to Palestinian guerrillas, such as a segment of Yasser Arafat's el-Fatah, which has officially denounced both attacks.

Soldiers of God is a Lebanese Sunni Moslem fundamentalist organization that has some links to Tawheed, a Sunni group that dominates the northern city of Tripoli under its self-styled emir, or prince, Saeed Shabaan. The group is known to have operated in Tripoli, Beirut and Sidon.

Mr. Arafat, who was driven out of his last strongholds in Lebanon in early 1983, had made common cause with Mr. Shabaan and later built links both to Hezbollah, or Party of God, a Shiite group, and to the emerging Sunni fundamentalists in Beirut.

At the time, the Palestinians were under attack by the mainstream Shiite militia Amal, which was being encouraged by President Hafez al-Assad of Syria, an enemy of Mr. Arafat.

The Islamic Resistance is an alliance of both Shiite and Sunni Moslem fundamentalists dominated by Hezbollah but including Sunni adherents of Tawheed and the Islamic Society in Sidon. It has been attacking the Israeli troops who remain in Lebanon in a buffer zone along the border.

Palestinian guerrillas, primarily from Fatah, have been infiltrating back into Lebanon over the past year, particularly into the Sidon area. According to Palestinian and other sources, many of Mr. Arafat's people have entered Lebanon from Cyprus through the Sidon harbor, which is controlled by a local Sunni group.

The Palestinian guerrillas and the fundamentalists both have been trying to work their way southward

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SCENE: *When the Lights Went Out, the Hijackers Yelled 'Jihad!' and Opened Fire*

(Continued from Page 1)

had escaped through an emergency hatch as the hijackers stormed the plane.

As they continued to hold the stewardesses at gunpoint, Rajesh Kumar, a young Indian-American, began to argue with the hijackers, urging them to treat the stewardesses with more compassion. At that point, according to an Indian passenger from Bombay who did not want to be named, one of the hijackers grabbed Mr. Kumar, shot him in the back of the head and shoved him out of the plane. He died shortly after having been taken to a hospital.

For the passengers inside the plane, the killing of Mr. Kumar was a turning point, according to the Bombay passenger, who watched the drama unfold from a place near the plane's front galley. It was clear that the hijackers were prepared to kill others.

The passengers, ordered at first to hold their hands on their heads for an extended period, were later allowed to relax. Drinks and food were served to some, and the gunmen occasionally joked or chatted with them.

When one passenger began to complain of extreme pain in his chest, the hijackers asked for help from any doctor who might be aboard the plane. Dr. Tahira Sheikh, a British national of Indian origin, volunteered. "They thanked me for the assistance," she said later.

For Michael Thexton, a 27-year-old schoolteacher from London, the moments of doubt intensified around mid-morning.

About four hours after the gunmen took over the plane, they ordered the stewardesses to collect passports from the passengers.

"They gathered all the passports," Mr. Thexton recalled. "But the stewardess suppressed the American passports. She threw them away. The first British passport they came to must have been mine. The stewardess called out, 'Would Mr. Michael John Thexton come forward.' There was no point in hiding. Where do you hide in an airplane, even a jumbo jet?"

Mr. Thexton said that when he got to the door, the hijackers' leader was dividing his attention between him and giving a stewardess directions on what to tell negotiators outside the plane.

Mr. Thexton said, "He asked me if I was a soldier and if I had a gun," but then "they got the radio working and that seemed to take their mind off of me."

Mr. Thexton, who was in Pakistan for a trek in memory of his brother, who died there three years ago on a similar journey, said, "I thought I was about to join him."

Mr. Thexton said he took pains not to remind the hijackers of his presence, although he remained at the front of the plane sitting on a pile of passports throughout the day.

Another tense moment involved a hijacker named Ali. Passengers said Ali was jumpy and occasionally unleashed a tirade of invective.

"I hate all rich," he would say. "They kill our children. I hate all Italians, British, French, Americans."

But it was not until close to nightfall that the atmosphere truly began to change inside the aircraft. As dusk approached, passengers noted an increase in tension. What they did not know was that the hijackers had set a 7 P.M. deadline for meeting demands that a new crew be placed aboard the plane or passengers would be shot.

The 7 P.M. deadline was allowed to pass, and a new one was set for around midnight. Then another problem developed.

Throughout the day, power aboard the plane was supplied by the aircraft's auxiliary power unit. It was only a matter of time, Pan Am officials later said, before it would run out of lubricating oil, and it was about 9 P.M. when the lights aboard the plane began to fade.

The hijackers reacted with increasing nervousness and ordered the passengers to huddle together in the middle of the plane. Then, when the aircraft was in near darkness, the hijackers conferred. A couple were in front of the crowd huddled in the middle of the plane, and at least one was in the back. Suddenly there was the thud of one or perhaps two hand grenades and the sound of automatic weapons fire.

Dick Melhart, 44, of Pullman, Washington, said, "The people in the front rows were really vulnerable. I was facing backward and the people in front of me were badly shot up."

Amid the screaming and panic, Mr. Melhart said, he "made up my mind I had to do something." He shouted at a steward next to him to open the emergency door over one wing of the aircraft.

"Open the door, open the goddamn door!" he shouted. But the steward was frozen in place. "I jumped over him and crouched down behind the seats and began to open the door. I had to rotate the handle 180 degrees, but it went about 140 and stuck. I stood up to try to get more leverage and a bullet went right in front of me. It didn't take much effort then to get it open."

Mr. Melhart said he found himself on the wing of the plane, and "it was a long way down. I saw the escape chute from the next emergency door open. I looked at the distance, and when there was a break in the people tumbling out, I took a running jump and landed right on the chute."

Eleven-year-old Najiba Sheikh did not remember exactly how she got out of the aircraft. She only recalled the shooting around her and the screams of the passengers.

"Many of the injured passengers lying on the floor tried to grab my legs seeking help," she said. "I don't know what happened to me."

Once out of the plane, the fear was still not over.

"The hijackers had been dressed as airport guards, so we didn't know who to trust," Mr. Melhart said. "We didn't want to throw ourselves into the hands of the guards. They might shoot us."

"Several of us went to a storage shed and shut the door. Somebody began pounding on the door, and we were scared. But it was the real police, and we were finally safe."

Nonaligned Accuse U.S. Of Terror

The Associated Press

HARARE, Zimbabwe — The 101-member Nonaligned Movement ended its weeklong meeting early Sunday by accusing the United States of "state terrorism" because of its air raids on Libya in April and by appealing to superpower leaders to stop the arms race.

The eighth such meeting, mainly of Third World leaders from Marxist and from capitalist countries, also urged worldwide mandatory sanctions against South Africa.

The final plenary sessions, with some leaders and their deputies slumped apparently half-asleep in their seats in the conference hall, continued until nearly 3 A.M. Sunday, well past its scheduled closing Saturday evening.

At a news conference early Sunday, Prime Minister Robert Mugabe of Zimbabwe described the meeting as a great success and said he expected "substantial aid" to flow from the Nonaligned Movement to South Africa's black-ruled neighbors.

"We are fully confident that from the Nonaligned Movement there is going to be some considerable kind of assistance in helping us in fighting apartheid," Mr. Mugabe said.

But apart from agreeing to set up a southern Africa solidarity fund, the meeting ended without committing individual nations to specific new sanctions against South Africa.

The resolution on Libya, contained in a 112-page political declaration, said the April 15 bombing raid by U.S. warplanes on the Libyan cities of Tripoli and Benghazi was "an act of state terrorism." It called on the United States to pay compensation and to end naval maneuvers in the disputed gulf of Sidra.

The Libyan leader, Moammar Gadhafi, had demanded that the raids be condemned. Washington has said the raids were in retaliation for Libya's support of terrorism.

Conference sources said the meeting bogged down in arguments over a bid by Nicaragua's government to become the next chairman of the Nonaligned Movement in 1989. There was no announcement on the outcome.

Mr. Mugabe succeeded Prime Minister Rajiv Gandhi of India as chairman of the movement. The chairmanship changes every three years.

Nicaragua's bid and a North Korean proposal that it be host of a foreign ministers' meeting in 1988 were opposed by pro-Western countries.

In identical letters to be sent to President Ronald Reagan and Mikhail S. Gorbachev, the movement appealed for them to hold a summit and agree on a permanent moratorium on nuclear tests.

Luc Novovitch/Reuters

President Zia ul-Haq of Pakistan, right, with Prime Minister Rajiv Gandhi of India at the end of the Nonaligned meeting. Mr. Gandhi accused Pakistani security forces of bungling the rescue of the Pan Am hostages and said Pakistan's official attitude encouraged hijackers. General Zia replied that "the responsibility lies squarely" with the terrorists.

HIJACK: *18 Persons Dead; 4 Gunmen Are in Custody*

(Continued from Page 1)

ing grenades inside the cabin. The panic-stricken passengers — screaming and crying and many of them spattered with blood — tumbled down a vinyl chute that popped out when someone managed to open an emergency exit.

Two groups that had not previously been heard of said they were responsible for the hijacking. Neither claim appeared to be genuine.

In Nicosia, an anonymous caller told a Western news agency that the hijacking was done on behalf of the Libyan Revolutionary Cells. That claim suggested that Libya was behind the incident, but the Libyan government quickly issued an emphatic denial.

In Washington, a State Department spokesman said Friday that the department had received reports that the terrorists claimed to be members of a group calling itself the Arab Liberation Organization.

He said this group was "previously unknown to us."

When asked if the gunmen might have been acting on behalf of or with assistance from Libya, Syria or Iran, the spokesman said, "We have no information right now about any kind of involvement by Libya or any other country."

The affiliation of the hijackers was further confused by another claim made in Beirut. An anonymous caller to a news agency there said that a faction called Jundullah, Organization of the Martyr Zulfikar Ali Bhutto, was behind the seizure of the jet.

"Jundullah" is Arabic for "Soldiers of God." Mr. Bhutto was a prime minister of Pakistan who was arrested and executed under orders of General Zia.

Clues to the hijackers' identity and political background exist in the fact that they spoke Arabic and wanted to be flown to Cyprus to secure the release of colleagues in Cypriot prisons.

This suggested that they were Palestinian guerrillas, probably using forged passports. Two Arabs and a Briton are in prison in Cyprus serving terms for the killing of three Israelis on a yacht at a marina in the Cyprus port of Larnaca on Sept. 25, 1985.

In New York, meanwhile, Martin R. Shugrue Jr., Pan Am's chief operating officer, said that even though the security system at the Karachi airport had passed three inspections by the Federal Aviation Administration in 12 months, Pakistani officials were responsible for allowing "the airport perimeter" to be "penetrated by terrorists."

At least five members of the Karachi airport security force have been suspended for negligence in allowing the hijackers to drive onto the tarmac in a vehicle disguised to look like an official security van, sources at the airport disclosed Sunday.

The Reagan administration has filed "protection" arrest warrants in accordance with an extradition treaty between the two nations. The warrants would provide the United States with the legal grounds to prosecute the suspects if proceedings were not brought against them in Pakistan.

■ Russia Condemns Attack

The Soviet government condemned the hijacking and called for international action to prevent terrorism, United Press International reported from Moscow.

The news agency Tass said that "the Soviet Union most resolutely condemns this act of terrorism and calls upon all states for effective cooperation so as to eradicate fully this dangerous phenomenon."

"This should be done without delay," said the statement, using language implying that it came from the highest levels of the government.

The statement did not mention that the hijacking had occurred on board an American plane.

■ Commandos Not Involved

Survivors of the hijacking said Sunday that Pakistani commandos had played no role in the freeing of the jet after the four men had hurled grenades and sprayed machine gun bullets at the passengers, The New York Times reported from Frankfurt.

Sixty-seven of 209 survivors brought to Frankfurt on a special Pan Am flight disembarked there Sunday evening, while the rest continued to London and New York. A U.S. Air Force C-141 transport earlier brought 11 badly wounded survivors to a hospital here.

The survivors also said it appeared that it had been the failure of the plane's generator that panicked the terrorists into initiating their massacre.

Nari Kalwani, an Indian businessman, said, "I think the generator had gone off, so they thought something was being done from the outside."

An Indian Airlines aircraft, meanwhile, carried 98 passengers, including 17 listed in serious condition, to New Delhi. There were also six bodies on the plane, including those of a woman flight attendant and two Indian classical dancers.

ATTACK: *23 Die in Synagogue*

(Continued from Page 1)

abs, did not immediately recognize any of these claims as valid.

In Ankara, Prime Minister Turgut Ozal, who called the cabinet into special session, condemned the attack in a statement. He said it underlined the need for international cooperation to fight terrorism and vowed to apprehend those responsible.

"No effort is being spared in identifying and apprehending the perpetrators of these murders," the statement said. "All citizens living in Turkey are under the protection of the state, irrespective of their religion, language or race."

The Reagan administration condemned the "cowardly" attack and said that security at "other key points and installations" in Istanbul had been heightened. Other Western nations also condemned the attack.

[The prime minister of Iran, Mir Hussein Moussavi, on Sunday denounced the attack in Istanbul and the hijacking of a Pan American airliner in Karachi as "unacceptable" and suggested that the United States had carried them out, The Associated Press reported from Nicosia.]

[The Palestine Liberation Organization also condemned both attacks, United Press International reported Saturday from Tunis.]

[Libya criticized the massacre at Istanbul, saying it disagreed with attacks on "innocent" people, United Press International reported Sunday from London, monitoring the Libyan press agency Jana.]

Neve Shalom, which means "a place of peace," had been extensively renovated and refurbished in the last year, and Saturday morning's service was the first since completion of the work.

More than 30 members of the congregation had gathered inside the synagogue and had just begun services when the gunmen entered at about 9:15 A.M., the police said.

The gunmen gained entry, witnesses said, by posing as photographers who wanted to take pictures of the renovations in the synagogue.

Once inside, the gunmen barred the main doors, then, shouting in Arabic, took up positions about 10 yards apart and opened fire and hurled grenades.

Rafi Saul, 17, the only uninjured survivor of the attack, said that he had pretended to be dead to escape the bloodbath. He told the Anatolian news agency that the gunmen shot their victims, including his father, Moise, then poured gasoline on the bodies and set them on fire.

Outside, passersby and a few merchants heard the commotion.

"The shooting lasted for three to five minutes," said Onl Esin, one of the people outside the synagogue.

Istanbul's deputy chief of police, Mehmet Agar, said the gunmen then tried to flee. Some may have escaped, but at least two of them were confronted outside the synagogue by the police, who had begun to arrive. The two ran back into the synagogue, he said.

"Then a loud explosion was heard," a police official said. "We are not sure whether they committed suicide or the bombs went off accidentally."

■ Israel Denounces Attack

Prime Minister Shimon Peres of Israel vowed Saturday to "cut off the arms" of the gunmen responsible for the Istanbul massacre, The Washington Post reported from Jerusalem.

"We will chase them everywhere, and we will catch them," Mr. Peres said. "We will not rest until we cut off the arms of the murderers, murderers not seen since the days of the Nazis."

A Foreign Ministry official here said Israel had no information yet on which group was responsible for the attack.

"From our point of view, what difference does it make?" the official said. "This was a terrorist act directed against Jews because they were Jews, as simple as that."

[The massacre sparked a crisis in Israel's coalition cabinet after a rightist minister, Ariel Sharon, blamed the slaughter on Israeli concessions to the Palestinians, Reuters reported from Jerusalem.

[Mr. Peres broke up the cabinet meeting and demanded a public apology from Mr. Sharon after ministers stood to honor the Jews killed in Istanbul.

["The prime minister insisted on his demand that Sharon retract his words implying that the murder of the worshipers in Istanbul is a result of the weakness of the government and its policies," a cabinet statement said.]

TERROR: *Few Answers to Questions of Responsibility*

(Continued from Page 1)

toward the Israeli border, an effort that has put them on a collision course with Amal.

These factors would appear to indicate an alliance between the fundamentalists and Fatah. That possibility was reflected by some of the circumstances in each incident.

In the Karachi hijacking, the terrorists said they wanted to fly to Cyprus to free comrades imprisoned there. The most prominent prisoners in Cyprus are three members of a Palestinian group called Force 17 who were convicted of murdering three Israelis in a yacht basin in Larnaca in September 1985.

Force 17 had been Mr. Arafat's personal security and intelligence organization. It is said to have been transformed in the last two years into an elite commando group.

According to Palestinian military sources, the PLO was moving troops back to Sidon by sea last year when several boats were intercepted by the Israeli Navy. The Palestinians contended that the Israelis killed in the harbor were spies who were relaying information on the Palestinian movements.

In Karachi, witnesses described the hijackers as speaking with Palestinian accents, although, according to some reports, one spoke to the tower in Urdu, a major language of Pakistan.

In the Istanbul massacre, the message from the Islamic Resistance group said the attack was in revenge for an Israeli raid Thursday night on the southern Lebanese village of Zebqine, which is just outside the Israeli-supervised buffer zone.

It is not uncommon for previously unknown groups to take responsibility for terrorist attacks. Often, a group will be formed and given a name for a specific attack, and it might be formed of members of several organizations.

The apparent careful preparation and almost casual brutality of the attacks are among the factors arguing for the possibility that either or both were mounted by the Abu Nidal organization.

In addition, The Muslim, a leading leftist English-language daily newspaper in Pakistan, reported Saturday that security agencies had been advised by unspecified Western sources that members of the Abu Nidal group had been sighted in Pakistan.

Abu Nidal is considered one of the most "businesslike" of terrorists, and his attacks often are characterized by gratuitous violence.

In the Karachi hijacking, the terrorists went aboard wearing the uniforms of Pakistani security men, a factor that appeared to indicate solid planning and preparation.

In the Istanbul synagogue attack, the two gunmen, who died in the explosions, apparently deliberately chose a building that had just reopened that morning, which also appeared to indicate long preparation.

According to a European official familiar with the confessions of an Abu Nidal operative now in custody, Abu Nidal had an operation in Pakistan that included a safe house, an arms cache and means of obtaining money.

One possibility is that the Abu Nidal group made links with a Pakistani terrorist organization.

WORLD BRIEFS

Ships Reportedly Ignored Warnings

MOSCOW (NYT) — The ship collision in the Black Sea in which 398 people apparently died occurred after the captain of a cargo vessel refused to heed radio warnings for 45 minutes that his ship's course would bring it dangerously close to the passenger liner Admiral Nakhimov, a Soviet newspaper reported Saturday.

Then, minutes before the collision and the swift sinking of the Admiral Nakhimov on Aug. 31, the passenger liner's captain left the bridge and retired to his cabin, the newspaper Sovetskaya Rossiya reported. It said that radio warnings from a nearby land station to both captains had been ignored. Last week, the two captains were arrested on charges of criminal negligence.

The Admiral Nakhimov, with 1,234 people on board, sank within seven or eight minutes after the cargo ship Pyotr Vasev rammed it at a speed of 10 knots. Soviet officials said 116 bodies had been found, 282 people were missing, and 836 survivors were pulled from the water.

Nicaragua Said to Bar 3d U.S. Priest

MANAGUA (UPI) — Nicaragua has barred an American Roman Catholic priest from returning to Nicaragua, where he has lived and worked for 12 years, a church spokesman said Saturday. The priest, the Reverend Everett Brown, was the third cleric forced from or kept out of Nicaragua in the last two and a half months.

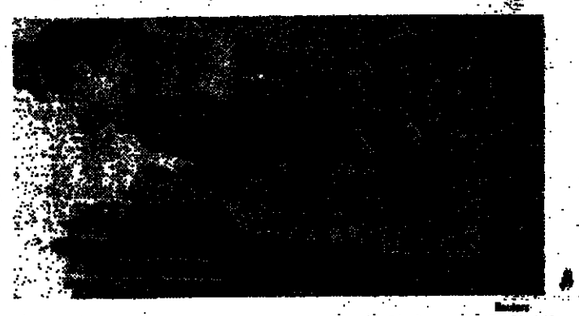
The Reverend Uriel Reyes, spokesman for the Nicaraguan Catholic Church, said that Father Brown was barred from entering Nicaragua on Tuesday when he attempted to return from vacation. Father Reyes said that he did not know why Father Brown was barred. An Interior Ministry spokesman said he had no information on the report.

Ethiopian Envoy May Have Defected

PARIS (Reuters) — Ethiopia's ambassador to France has resigned his post and is thought to have defected from the pro-Soviet Marxist country, according to diplomatic sources.

A Foreign Ministry spokesman said Saturday that the ambassador, Kebreth Getachew, told the French government in writing last week that he was leaving the post he has held since 1983. There had been no warning of his departure.

The spokesman said Mr. Getachew, a senior member of the Ethiopian diplomatic corps and former justice minister, had not requested political asylum in France. Diplomatic sources said, however, that he had already left France and had apparently decided to defect rather than return to Ethiopia.



Reuters

Ramon Mitra and Teofisto Guingona, right front and rear, negotiators for the Manila government, with Satur Ocampo, leader of the Philippines Communist Party.

Manila Cites Progress on Cease-Fire

MANILA (NYT) — Representatives of the Communist rebels in the Philippines have agreed to consider a 30-day cease-fire, government sources said.

The sources said Saturday that the Communist negotiators favored the idea of a halt in the fighting but that they would need to get the approval of other leaders in the insurgent movement.

The two sides agreed to meet again in two weeks. Ramon Mitra, a government negotiator, said the Communist representatives were "confident that when they come back within two weeks they shall have been given the mandate which they need."

Shah's Son Interrupts TV in Iran

WASHINGTON (WP) — Iranians watching television Friday night were startled by an unauthorized appearance by Prince Reza Pahlavi, son of the late shah of Iran, asking the Iranian people to overthrow the government of Ayatollah Ruhollah Khomeini.

The 11-minute broadcast was shown illegally on two of Tehran's government-controlled television channels at 9 P.M. The time and channels of the taped broadcast had been announced in advance by two clandestine radio stations belonging to exiled supporters in Europe of Prince Reza, who proclaimed himself shah when his father died in 1980.

There was no official explanation on how the broadcast had been televised illegally. It is believed, however, that the interruption of regular programs was made possible by a hidden transmitter inside the country.

For the Record

President Ronald Reagan ended Sunday a three-week vacation in California, spent mostly at his ranch near Santa Barbara, and returned to Washington. *(UPI)*

A minor accident occurred last week during the refueling of the Soviet-built Loviisa nuclear plant in Finland east of Helsinki when a small amount of radioactive cooling water leaked onto the floor of the reactor, plant officials said Sunday. *(Reuters)*

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DANILOFF: *American Reporter Is Charged as a Spy*

(Continued from Page 1)

cation when a trial would take place, Mr. Trimble said.

[In California, where President Reagan was on vacation, the chief White House spokesman, Larry Speakes, said the U.S. government had not been formally notified of the charges against Mr. Daniloff, The Associated Press reported.

["This could have serious implications for U.S.-Soviet relations if this continues," Mr. Speakes said. "Daniloff is innocent."

[He reiterated that "there will be no trade" of any Soviet spy suspect for Mr. Daniloff.]

A Soviet employee of the United Nations, Gennadi Zakharov, was arrested Aug. 23 in New York and charged with spying. Mrs. Daniloff has claimed her husband was arrested in retaliation.

U.S. officials in Washington said last week that the Reagan administration had proposed that Mr. Daniloff be freed in exchange for releasing Mr. Zakharov into the custody of the Soviet ambassador pending Mr. Zakharov's trial.

Moscow has not responded, U.S. officials say.

On Friday, Secretary of State George P. Shultz ruled out an outright swap of Mr. Daniloff for Mr. Zakharov.

Mr. Shultz said Mr. Daniloff's arrest showed Moscow was "prepared to resort to hostage-taking as an instrument of policy."

Mr. Daniloff has indicated he did not want to be part of a prisoner exchange.

A Reagan administration official said Saturday that the KGB appeared to hope that Mr. Daniloff could be traded for Mr. Zakharov.

Neither Mr. Daniloff nor Mr. Zakharov has diplomatic immunity.

The Soviet intention to press ahead with the Daniloff case appeared Sunday to go hand in hand with a hope that the case would not put an immovable obstacle in the way of a possible summit meeting between Mr. Gorbachev and Mr. Reagan.

Articles in the official Communist Party newspaper Pravda on Saturday and on the official press agency Tass appeared to try to trivialize the Daniloff case.

Tass called Mr. Daniloff "a run-of-the-mill, not even very big spy caught in the act."

Both Tass and Pravda charged that the mounting diplomatic pressure over the Daniloff case was, as a Tass headline said, "A Diversionary Maneuver With Little Chance of Success."

Funeral Planned for 23 In Damaged Synagogue

United Press International

ISTANBUL — The Jewish community in Istanbul plans to hold the funeral for 23 slain worshipers in the same synagogue where they were massacred, a spokesman said Sunday.

Leon Halevy, editor of the Jewish Istanbul weekly Shalom, said two engineers would examine the damaged Neve Shalom synagogue, Istanbul's largest, on Monday and that the funeral would be scheduled there if there was no danger of it collapsing.

DENG: *Offer to Meet Gorbachev*

(Continued from Page 1)

would make an effort to help bring about the reunification of Taiwan with mainland China. The U.S. position is that this is a matter for China and Taiwan to settle between themselves.

Asked what the Americans could accomplish in this regard, Mr. Deng said: "They can encourage and persuade Taiwan first to have 'three exchanges' with us, namely, the exchange of mails, trade and air and shipping services."

Diplomats said Mr. Deng had sent a private message asking Mr. Reagan to encourage Taiwan to move in this direction but that the Americans had turned him down.

Xinhua quoted Mr. Deng as saying: "To be quite frank, I am persuading our people to let me retire at the party's 13th national congress next year. But so far, what I have heard is dissenting voices all around."

Mr. Deng turned 82 last month. Japanese diplomats who have been in several recent meetings with him have said he appears to be in excellent health.

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SDI Test Heartens U.S. Aides

A Success Follows 6 Major Failures

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The United States has successfully conducted a classified experiment in space for President Ronald Reagan's anti-missile defense program after launching a Delta rocket at Cape Canaveral, according to U.S. officials.

As part of the experiment on the Strategic Defense Initiative, two stages of the rocket deliberately collided with each other in space Friday and were destroyed by explosives, sources said.

The launching followed six major U.S. failures, starting Jan. 28 with the Challenger space shuttle disaster and including the failure of a Delta rocket in May.

Friday's launching was normal, and the rocket performed "exactly as planned" during the first moments of flight, said Hugh Harris, a National Aeronautics and Space Administration spokesman at the Kennedy Space Center.

The Defense Department said that the $150-million experiment, which lasted two hours and 45 minutes, was also a success.

Independent experts were skeptical, however, that the experiment would significantly advance the Pentagon's long-term effort to develop a comprehensive defense against ballistic missiles, initially ordered by Mr. Reagan in 1983.

Representative George E. Brown Jr., a Democrat of California who opposes the SDI, raised questions about the test's legality in the face of congressional and treaty limitations on military experiments in space.

"At first glance, it would seem to evade at least the intent of the law," Mr. Brown said.

That assertion was denied by the Pentagon's Strategic Defense Initiative Organization, which described the experiment as basic research that would aid the development of "kinetic kill vehicles," devices capable of striking rockets and satellites at high speed in outer space.

"In no manner was the experiment in violation of U.S. treaty obligations," said Lieutenant Colonel Terry Monrad, a spokesman for the office.

According to various sources, the experiment consisted primarily of two packages of sensors, which separated shortly after liftoff and then orbited near each other about 120 miles (190 kilometers) above Earth. One cluster of sensors was attached to a special device that substituted for the rocket's third stage, and the other was affixed to the rocket's second stage.

On command from the ground, they were maneuvered into orbits so that at times they crossed paths and at times they were farther than 100 miles apart.

For a while the rocket sensors observed each other, and then, about an hour later, the sensors tracked a second, smaller rocket that the Defense Department had launched from the White Sands Missile Range in New Mexico.

The second rocket operated flawlessly and reached an altitude greater than 100 miles, the sources said. The infrared sensors already in space were able to observe the exhaust plume and transmit data to Earth, a goal of the launching.

Finally, not long after the White Sands rocket burned up after reentering the atmosphere, the second and third stages of the Delta rocket were maneuvered into a collision. Both were blown to bits by a package of explosives that one carried.

The aim of the explosion was to obliterate all of the sensitive equipment on board.

Colonel Monrad and others said that military researchers would use the data they had collected to evaluate the operation of the sensors and to help construct a library of missile exhaust plume pictures, which will aid in the design and development of future SDI weapons.

There is general agreement that the success of the effort will hinge in large measure on the ability of the United States to locate intercontinental ballistic missiles and attack them shortly after launch. Missile exhaust plumes play an important role in this effort, because they are extremely hot and contain many readily identifiable gases.

At present, the military only has pictures of missile plumes taken from the ground, from airplanes and from satellites at high altitudes. Thus, the experiment, which was conducted at relatively low altitudes and with objects that maneuvered extremely close to each other, was apparently able to fill a gap in the Pentagon's knowledge.

■ Japan May Join SDI

A Japanese government source said that Japan has decided in principle to join the Strategic Defense Initiative research program and will probably move Tuesday to open formal negotiations with Washington, The Washington Post reported from Tokyo.

The government will stop short of declaring Japan unequivocally in the program, the source said.

It will say that entry will depend on resolution of a variety of points with the United States, including the extent to which Japanese companies would be allowed to use for commercial purposes the technology they help develop.

AMERICAN TOPICS

Flood Threat Recedes At Great Salt Lake

Utah's Great Salt Lake is receding from record high levels, and so are flood worries.

The lake had begun to inundate roads and railroad tracks last winter and spring after a period of unusually heavy snowfalls and abnormally cool summers that slowed evaporation. But this summer, hot, dry days evaporated water in the lake and cool, dry nights kept the snow pack up in the Wasatch Range from thawing too quickly. The lake level dropped 4 inches (about 10 centimeters).

"We're out of danger, for this year, at least," Governor Norman Bangerter told The Washington Post. To avert the danger permanently, the state is building a $55-million pumping system that will move water westward from the Great Salt Lake to the desert. This will create a lake measuring about 500 square miles (about 1,300 square kilometers) but averaging only 2.5 feet (76 centimeters) deep.

Proposed names for the new lake include West Desert Pond and Little Salt Lake. "If this thing works," Mr. Bangerter joked, "we're going to call it Lake Bangerter."

"If he spends $55 million and it doesn't work," retorted Ronald Ollis, a state hydrologist, "then they'll really call it Lake Bangerter."

Short Takes

The FBI's list of Ten Most Wanted Fugitives was started in 1950 largely as a publicity stunt, the bureau says. But in the 36 years that the list has been sent to news organizations and post offices, it has proved highly useful: 401 fugitives have made the list and 377 have been caught. The FBI credits 105 of these arrests to citizens who saw the list.

The job of town crier in Northampton, Massachusetts, has gone vacant for about two centuries. Wendell Roberts, a retired writer with a stentorian voice, has volunteered to fill it. Mr. Roberts, 64, said he knew of only three other U.S. town criers. He said he hoped to recruit American criers to compete in competitions with England and Canada, both of which have active guilds of about 60 criers each.

Shorter Takes: A drive-through funeral home in Detroit permits the bereaved to drive up without leaving their cars, sign a condolence card, pull ahead to the viewing window for a moment of silence and drive out into traffic. Elapsed time: 30 seconds. ● Much of Ernest Hemingway's writing dealt with boating, hunting and fishing, and The New York Times says his family has reportedly formed Hemingway Ltd. to license his name for use on such items as sunglasses, fishing rods and shotguns. ● Frank Perino, 43, who is blind, has filed complaints against 10 hospitals in New York for refusing to let his guide dog accompany him into the delivery room for his daughter's birth, although the dog had attended natural childbirth classes with him.

Susan Greenwood/The New York Times

RADAR ISN'T FOOLPROOF — Customs Service agents using radar to monitor air and sea traffic off Florida in an ambitious U.S. drive against drug trafficking. Four years after the operation began, officials say they have barely dented the drug trade in Miami, and far more cocaine is smuggled through Florida than ever before. Traffickers have become more adept at evading telephone wiretaps and using boats that elude radar.

Notes About People

David A. Stockman, the former White House budget director, whose book, "The Triumph of Politics," was less than flattering about the Reagan White House, says in the current issue of Omni magazine that those who differ with Mr. Reagan lack the courage to tell him so. "With Lyndon Johnson, say, somebody might have had enough nerve to stand up," Mr. Stockman writes. "He either got thrown out on his rear, or the president changed his mind." But with Mr. Reagan, people who may disagree violently with his plans "make their point in a very low-key, sheepish way. There's a certain tone, a certain modus operandi that precludes head-on collisions or eyeball-to-eyeball confrontations, with the result that choices never get squarely posed."

Nancy Reagan also has been targeted by one of her former speech writers, Mona Charen, in the new issue of Washingtonian magazine. Miss Charen, 29, writes that in the White House, "Mrs. Reagan is treated with the kind of gingerly respect due a lioness. One admires its beauty, anticipates its desires and never, never gets it angry."

Richard Adams, a Democrat running for the Arizona House of Representatives, says he has saved postage for years by keeping the envelopes in which his letters arrive, inserting his responses, resealing the envelopes and writing "Return to Sender, Please," on the outside. This came to light when he returned two completed questionnaires, along with some campaign literature, to The Arizona Republic, a Phoenix newspaper. Postal officials say that mail can be returned only if it is unopened and that violations can lead to a $300 fine. Mr. Adams said he was unaware he had been breaking the law.

—ARTHUR HIGBEE

Hijacking Death Mars Harvard's Anniversary

Washington Post Service

CAMBRIDGE, Massachusetts — The final day of Harvard University's 350th anniversary party was marked by sudden solemnity.

"There is a fierce and unhappy piece of news I thought I should share with you," said the university's president, Derek Bok, addressing more than 18,000 assembled alumni and friends at the last of three convocations Saturday, "so your sympathy and concern could go out to a younger member of our community who at this point faces an unexpected and terribly tragic moment in her young life."

Mr. Bok announced that Syed Nesar Ahmad, the husband of Farceena Sultan, a Harvard Business School assistant professor, had been killed in the airline hijacking in Karachi, Pakistan.

In his address, Mr. Bok warned of the dangers of outside influence on universities and the temptations involved in what he called "the relentless quest for funds."

"Federal and state officials give generously to universities," he said. "But the effect has been to make our campuses highly dependent on forces beyond their control."

Mr. Bok also spoke of the national "fixation on the Harvard mystique."

"However much we protest, I suspect that most of us are secretly pleased to be associated with an institution reputed to have such clout," he said. "But we should not forget that these accounts give a distorted picture of what Harvard and other universities actually do or where their true contribution lies.

"Aside from the occasional scientific breakthrough," he said, "there is no drama for the reader in the patient labor of scholars surrounded by their books or the quiet growth of mind and feeling of countless students."

Throughout the week of celebration, there was also dissent. Protesters called on the university to sell its stock in companies that do business in South Africa.

Muriel Snowden, a 1938 graduate of Radcliffe College and former member of the Harvard Board of Overseers, said she was distressed by the university's "lack of pride" in its black alumni and recognition of their accomplishments.

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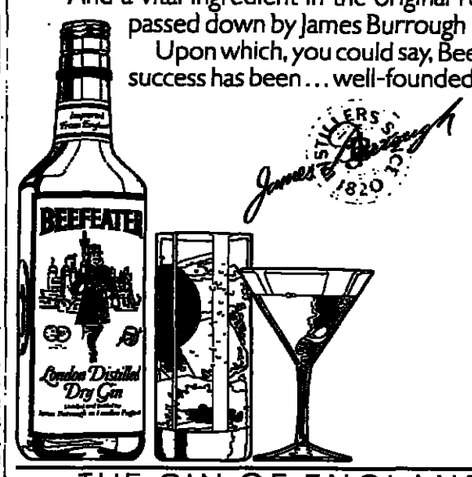

THE GIN OF ENGLAND

U.S. Fears Walker Lied About Extent, Damage of Spy Ring

By Philip Shenon
New York Times Service

WASHINGTON — John A. Walker Jr. has failed recent polygraph tests, and prosecutors are concerned that the navy veteran is lying about the origins of the Soviet spy ring in which he was involved, according to law-enforcement officials and others familiar with the case.

The officials said Friday that there was concern that the full extent of the Walker family's espionage activities might not yet have been uncovered.

One source close to the investigation said that Mr. Walker, a former navy warrant officer, had been found to be deceptive when questioned about whether he or his brother Arthur J. Walker had formed the spy ring, which the government has described as one of the most damaging espionage operations in American history.

If Arthur J. Walker was the one who started the espionage ring, officials said, it could mean that the spy operation did even more damage than is now believed. In his navy career, Arthur Walker, who was a lieutenant commander when he retired, had access to extensive secret information about the U.S. submarine fleet.

AP

John A. Walker Jr.

Federal officials said they might be forced to put Mr. Walker and his son Michael on trial, abandoning the agreement under which they pleaded guilty.

John Walker's chief defense lawyer, Fred Warren Bennett, acknowledged that he had received some indication that prosecutors were not "totally satisfied" with some of Mr. Walker's answers in interrogations in which a polygraph, or lie detector, was used.

But Mr. Bennett said the government had not indicated that it intended to break the plea agreement. He noted that investigators recently stopped administering polygraph examinations to Mr. Walker.

"We are very concerned that he is not telling the truth," a Reagan administration official said of John Walker. "There's obviously a problem."

Another source familiar with the case said prosecutors were still pressing John Walker to determine if others not yet charged were also involved in the spy ring.

Mr. Walker has asserted that he created the Soviet espionage operation.

His brother Arthur was convicted of stealing two sets of classified documents from VSE Corp., a Virginia military contractor where he worked as an engineer after retirement from the military in 1973. He was sentenced to life in prison.

The plea agreement called for John Walker to plead guilty and to testify at the espionage trial of Jerry A. Whitworth, another navy veteran accused of being a member of the ring.

Mr. Whitworth, 47, was convicted of espionage and was sentenced last month to 365 years in prison. Under the sentence, Mr. Whitworth would have to serve a minimum of 60 years in prison before being eligible for parole.

Under the plea agreement, Mr. Walker was to be sentenced to life in prison; Michael Walker, who was a yeoman in the navy, would face a 25-year sentence. Both father and son could be freed on parole years earlier, and defense lawyers said the plea agreement could hasten parole.

At the request of the Justice Department a federal judge in Baltimore agreed last week to delay the sentencing of Mr. Walker and his son until Oct. 3. The department said investigators wanted more time to question John Walker.

It is not clear why Mr. Walker might be lying at this point. The plea agreement is contingent on his truthfulness in interviews with prosecutors.

A federal law official knowledgeable about the case noted that a government decision to breach the plea agreement might open the way for a new trial for Mr. Whitworth.

Mr. Whitworth, who was a radio man with access to secret navy codes, was called "one of the most spectacular spies of this century" by the judge who sentenced him.

Information that federal agents were concerned about whether Mr. Walker was being truthful initially came from Howard Blum, a former reporter for The New York Times, who is working on a book about the Walker case.

Recess Over, U.S. Congress Tries to Tiptoe Past the Booby Traps

By Helen Dewar
Washington Post Service

WASHINGTON — Congress returns Monday from recess to grapple with a heavy and difficult load of unfinished business, haunted at every step by close contests for control of the Senate and dozens of House seats in the November elections.

Starting this week with Senate debate over Supreme Court nominations and House consideration of drug-control legislation, both parties will use the legislative calendar to boost their own candidates and embarrass the opposition, as a backdrop for full-scale campaigning in October.

But the calendar is so clogged with serious issues and booby-trapped with political problems that incumbents of both parties could suffer from a contentious and embarrassing deadlock.

On issues ranging from tax reform to sanctions against South Africa, Congress has brought so many major bills to the point of approval that a final push could give it a historic record of accomplishment. But without that push, Congress could leave almost empty-handed.

"We could go down in history as being one of the best or one of the worst; it all depends" on this month, said Representative Robert T. Matsui, Democrat of California.

A Senate Republican aide agreed. "They'll do themselves proud if they don't blow it at the last minute," the aide said.

Paying the price for earlier delay, Congress has four weeks to wrap up work before its scheduled adjournment Oct. 3.

To miss the target would mean losing valuable campaign time in October or inviting a post-election "lame-duck" session. The latter possibility seems increasingly likely unless Congress responds to the threat with uncharacteristic self-discipline, congressional aides said.

The volume of work is only one problem. Perhaps more critical, some lawmakers say, is the difficulty of achieving long-term agreements on such issues as national security and budget-deficit reduction. This raises the prospect of stop-gap compromises to get through the elections.

President Ronald Reagan and the House are at such odds over national security issues, including defense spending levels, arms control and foreign aid, that anything more than an interim accord could be impossible before the elections, a House aide suggested.

Moreover, the complexities of coping with spending constraints brought on by the federal budget-balancing law, appropriations bills and a debt-ceiling extension in the last two months before an election could strain Congress beyond its limits, the aide said.

Congress has yet to complete action on any of its 13 appropriations bills for next year; the House has passed 10, the Senate 2.

There are wild-cards as well, including the sweeping tax bill that was approved by a House-Senate conference shortly before Congress recessed Aug. 15. Mr. Reagan has called it the chief domestic priority of his second term.

While congressional leaders assume tax reform is a sure bet for enactment before adjournment, lawmakers said that constituents have reacted coolly, often hostilely.

"I'm still looking for the first constituent who wants tax reform in the way it's being done," said Representative Mike Synar, Democrat of Oklahoma.

Mr. Matsui, while still believing the bill will pass, is edgy enough to want a check of House support for it as soon as Congress returns.

The pre-election skittishness of House members pales by comparison with that of senators, however.

Continued Democratic control of the House is assured, and only 50 to 60 of the 435 House races appear to be in doubt. But the Senate, divided 53 to 47 in favor of the Republicans, is up for grabs.

The Republicans are defending twice as many seats as the Democrats, and many of their incumbents, elected in the 1980 Reagan landslide, are vulnerable.

House Democrats have served up issues such as trade and South Africa sanctions that have strong political appeal but often run afoul of the White House, putting Senate Republicans in a tight spot.

Rehnquist Memo Proposed School Desegregation Curbs

The Associated Press

WASHINGTON — William H. Rehnquist, now a Supreme Court justice, proposed in 1970 a constitutional amendment that would have vastly curtailed the powers of federal courts to end school segregation, according to newly released memos.

Civil rights figures called the proposals an attempt to legitimize segregation in public schools.

The memos, obtained by The Associated Press on Saturday, were written by Mr. Rehnquist when he was a Justice Department official in the Nixon administration. His nomination as chief justice is before the Senate this week.

The amendment would have permitted plans in Southern states allowing parents to choose which schools their children attended and boundaries in northern school districts that would maintain predominantly white and black schools.

The Southern plans were struck down by the Supreme Court two years before Mr. Rehnquist wrote his memos. Racially drawn northern boundaries were ruled unconstitutional afterward.

Progress Is Reported in Palme Case

New York Times Service

STOCKHOLM — The Swedish police say they have made progress in the investigation of the murder of Prime Minister Olof Palme and hope to see arrests in the next few months.

"We are beginning to see what we believe is a motive and what we believe to be those responsible for the motive," Leif Hallberg, a Stockholm police spokesman, said last week. "We don't see a dramatic end imminent, but perhaps in several weeks or months."

He declined to offer details, but a source said the police suspected a group motivated by radical politics rather than an individual. Mr. Palme was shot in the back in Feb. 28 as he walked with his wife in central Stockholm.

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The Karachi Hijacking

Once again a squad of heavily armed hijackers seized a plane — this time in Karachi — and held its passengers hostage. Once again the attempt has ended in many deaths and much bloodshed. Once again a political gesture has cost the lives of innocent people — and more.

There is hardly a more vicious and squalid crime than taking hostages at random and holding them under threat of death. Any political movement resorting to it sacrifices all claims to moral standing or respect. It is not clear what organization these hijackers represented. One of the survivors shouted, as he was removed from the airfield, that he was a Palestinian from Lebanon. Maybe so. Was the affair instigated by one of the Palestinian groups? Or by Iran? Or by Libya?

It is all very well to say that real political tensions lie behind attempts such as this, and that sometimes they arise from legitimate claims that the world has ignored. There is no more certain way to ensure that claims will continue to be ignored than to desecrate them with acts that grossly violate every country's idea of basic decency.

In this case, the hijacking evidently was intended to be a blow at the United States. It was an American plane, and the first person to die, the man whom the gunmen gratuitously shot at the beginning of the affair, carried a U.S. passport. Even the wildest of political wildmen must be aware that this kind of assault does nothing to increase sympathy in the United States for the causes that they claim to represent.

The Pakistani authorities seem to have managed this affair precisely by the right rules. They kept the negotiations going hour after hour, and avoided force. It is still not entirely clear what happened to precipitate the final burst of violence, but it appears that the lights in the plane suddenly went off, and the gunmen, possibly thinking that an attack was under way, began firing hysterically. With that, some of the passengers pried open a door, and Pakistani commandos were able to get into the plane and bring the mass kidnapping to an end.

The world has now had 18 years' experience with airliner hijackings, and it has learned a lot. Over the past decade these attempts have become much less common and still less successful. Airport security procedures are pretty effective. Now there will be more of them, in Karachi and elsewhere. The countries of the world — most of them — have decided to work together to discourage the tactics of terror. In this instance the Pakistanis responded with skill and, until it appeared that a mass slaughter was beginning, with restraint. The affair came to a bad end, but with 400 passengers on the plane, it could have been worse.

— THE WASHINGTON POST.

Close the Revolving Door

● The Pentagon auditor charged with monitoring a Boeing plant retires. The next day he goes to work for Boeing.

● The test director of the Maverick missile retires. In a week, he is hired by Hughes Aircraft, manufacturer of the Maverick.

● The manager of instrumentation systems on the MX missile retires. Soon he is at work with TRW Inc., the overseer of development of the MX.

It is called the "revolving door," but its most worrisome feature is the cozy passage it creates from the Pentagon to contractors. Due to the up-or-out promotion policy, each year thousands of Pentagon employees are mustered out of their jobs, often just as their children enter college. Many have dealt with military contractors. Imagine their last years at the Pentagon as they oversee weapons testing, check design proposals and audit contractors — while anticipating they may soon need a new job.

The revolving door has long looked unseemly. It is beginning to smell bad, too. Several former high-ranking Pentagon officials figured in the eight-year fiasco that wasted $1.8 billion on the Sergeant York anti-aircraft gun. Others helped Lockheed toward the highest Pentagon overcharge ever on the C-5B military transport plane. A new report from a congressional agency says one of five former Pentagon officials whom it surveyed now work on the same weapons projects they once supervised for the government. Congress is finally working on proposals that attempt to close the revolving door. The issue hung up a House-Senate conference committee for a week last year. The House again will go into conference this month with a plan the Senate appears likely to oppose. It would for two years prohibit officials leaving the Pentagon from going to work for a contractor over which they had "personal and substantial" decision-making responsibility.

The opponents of this measure, which is patterned after limitations on other government employees, contend that it would hurt recruitment by the Pentagon, reduce opportunities for officials usefully forced out of government and damage a helpful "cross-fertilization" among military experts. But prudent procurement is a higher Pentagon duty than second-career placements.

A two-year cool-off would not render an official unemployable. As for recruiting, the House plan allows the secretary of defense to waive the limit when he needs to hire special experts from private industry.

It should be obvious that the officials who design, order and test America's weapons should not be distracted by personal career ambitions. Their only obligation should be to the soldiers who depend on the weapons, and to the taxpayers who pay for them. If the House proposal does not serve that end, does the Senate have a better idea?

— THE NEW YORK TIMES.

The Hunts' Misfortune

The children of billionaires often turn to philanthropy. Not those of H.L. Hunt, the Texas speculator and oil baron. The brothers Bunker, Herbert and Lamar have been concerned to increase their inheritance by the same means by which it was made. Yet now they have lost much of it, again by speculation. Last week they sought to protect their major asset, Placid Oil, by filing for bankruptcy.

The Hunts have sometimes been lucky in their speculations, sometimes not. Bunker, in a wildcatter's gamble, was co-discoverer of Libya's vast Sarir oilfield in 1961, but it was later expropriated by Colonel Moammar Gadhafi. Bunker, Nelson and Lamar are better known for the family's alleged attempt to corner the silver market.

By 1980 they had amassed about a million ounces, running the price of silver up from $5 to $50 an ounce. When the market collapsed, the Hunts lost perhaps $1 billion. Bunker discounted his losses with equanimity and the memorable line, "A billion dollars isn't what it used to be."

Still, it hurt. The Hunts claimed their net worth, after the loss, was between $5 billion and $6 billion. Five years later the estate appeared much shrunken; their trusts, they said, were worth at least $2 billion and their personal holdings totaled $600 million.

What impelled the frenzied speculation? Perhaps motives that on a smaller scale would seem quite recognizable. A gambler's urge. The desire to outdo daddy. The hope of safeguarding money from inflation. "The wisest investment is one which is protected from inflation," Herbert told a congressional committee after the silver debacle. "In my opinion natural resources meet this criterion, and, to that end, I have invested in oil, gas, coal and precious metals."

But the inflation of the 1970s was wrung out by tighter money, and commodity prices ceased to soar. The attempts by the Organization of Petroleum Exporting Countries to squeeze the oil market fared no better than the Hunts' gamble with silver. One after another, the Hunts' investments soured. The loan taken out to pay off their silver debts became the principal burden under which Placid now has faltered.

The bankruptcy filing, perhaps another gamble, is unlikely to be the Hunts' last roll of the dice. Their gamble on the silver market threatened for a time to take many others down with them. But for those who do not get too close, their game is always riveting to watch.

— THE NEW YORK TIMES.

Other Comment

Restraint Is Not a Soft Option

Overwhelmed by total revulsion at the horrifying slaughter in the Istanbul synagogue, following so swiftly the indiscriminate killing in Karachi, the temptation for America will be to strike back hard and fast and without mercy. But it is a temptation that should be resisted. Restraint is not a soft option. Violent retaliation is.

Vengeance is a natural instinct, easy to unleash. Especially so for a nation as militarily powerful as America. Holding back will be difficult. But it is the much wiser course. First, security must be stepped up at airports and every other place that offers the terrorists a tempting target. Next, the countries that harbor terrorists must be brought to book. Not by air strikes but by squeezing them in every possible way — economically, diplomatically, politically.

The West has been far too slow to bring its weight to bear on the offenders. It must once again bend its mind to securing a political settlement in the Middle East. That is easily said, wildly difficult to achieve. But there is no alternative. The scourge of Arab terrorism will never be lifted until a settlement is reached.

That is not a glamorous program. It lacks the swift satisfaction of armed vengeance. But it is the only program that holds out any chance of success.

— Today (London).

There will always be those who sympathize with the gunmen — there always are apologists who say war is war. Yet most people would agree that there is a significant difference between war on armed combatants and on defenseless civilians.

— The Times of Zambia (Lusaka).

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OPINION

Reagan's Shuttered View of Arms Control

By Townsend Hoopes

GREEN FARMS, Connecticut — Two significant facts about U.S.-Soviet relations today stand out. One is the abundant evidence that the Soviet leadership wants to stabilize the relationship, wants to deal, wants specifically an arms control agreement that will halt the gathering arms race in space. The other is the Reagan administration's determined resistance on all of these points.

The evidence on the Soviet side includes Mikhail Gorbachev's lengthy interview with Time magazine last September; his comprehensive arms control proposals of Jan. 15; his offer this summer to reduce offensive missiles in return for a renewed mutual commitment to a strict construction of the Anti-Ballistic Missile Treaty, which would keep "star wars" in the laboratory bottle for the next 15 years, and his four-times extended unilateral moratorium on nuclear testing.

The administration, on the other hand, is making every effort to misrepresent these constructive proposals and to conceal its own purpose: to dismantle all remaining pieces of the arms control structure in order to clear the decks for an unrestricted arms race on earth and in space.

Speaking at the Communist Party Congress in February, Mr. Gorbachev developed the theme that national safety can no longer be secured by unilateral means, no matter how much is spent on military forces and new technology; that mutual vulnerability is an irremovable condition of our age; that strategic stability and avoidance of war therefore depend upon recognition that the superpowers share a problem of survival.

But Mr. Reagan and his entourage are not listening. In June, the president renounced SALT-2, the treaty containing clear-cut numerical limits on all major weapons categories that both sides have continued to observe. This was a decision driven by Pentagon civilians whose only vision is nuclear superiority, whose fascination is with the fine-tuning of nuclear war-fighting strategies and whose preferred method is to run the arms race to infinity. Defense Secretary Caspar Weinberger said the SALT renunciation was necessary for America to "regain a modern, effective deterrent to war."

In announcing the first extension of the Soviet moratorium on nuclear testing, Mr. Gorbachev argued that, in the absence of a positive American response, Moscow has "every right to resume nuclear tests." But he emphasized that his purpose was to avoid being trapped in the dreary, futile action-reaction syndrome that has so long frustrated progress in arms control. "If one were to follow the usual 'logic' of the arms race, that presumably would have been the thing to do," he said, adding: "It is precisely that notorious logic that has to be resolutely repudiated. We are making yet another attempt in that direction. Otherwise the process of military rivalry will become an avalanche."

Expert observers believe a test ban is the cleanest, most decisive way to terminate the further development of nuclear weapons. They want to work *for reductions from that point, with* the negotiations freed from the constant pressure of technological innovations. There is no doubt among scientists that test ban verification can be assured. Conclusion of a comprehensive test ban treaty would amount to mutual agreement that nuclear weapons are not usable to achieve any rational political goal.

He is the first president to show no interest whatever in bringing a halt to the testing of nuclear weapons.

Washington's response to test ban proposals has been categorically negative, but the successive extensions of the Soviet ban have exposed its true intent. The administration first argued that it must go on testing because the United States lags behind in missile modernization, despite an unprecedented military buildup since 1981. When this ploy fell flat, it resorted to the theory that testing is needed to assure the reliability of the existing weapons stockpile.

This argument had not been heard before, and many experts dispute it. The way to determine whether nuclear weapons will work is to take them apart, check and reassemble their mechanical, nonnuclear components. The properties of uranium and plutonium remain the same from year to year. *Test firing is not necessary* to assure the reliability of weapons. It is necessary only if the aim is to create more accurate, sophisticated weapons. The administration has dropped its reliance on the verification issue as an obstacle to agreement. But new obstacles have been invented.

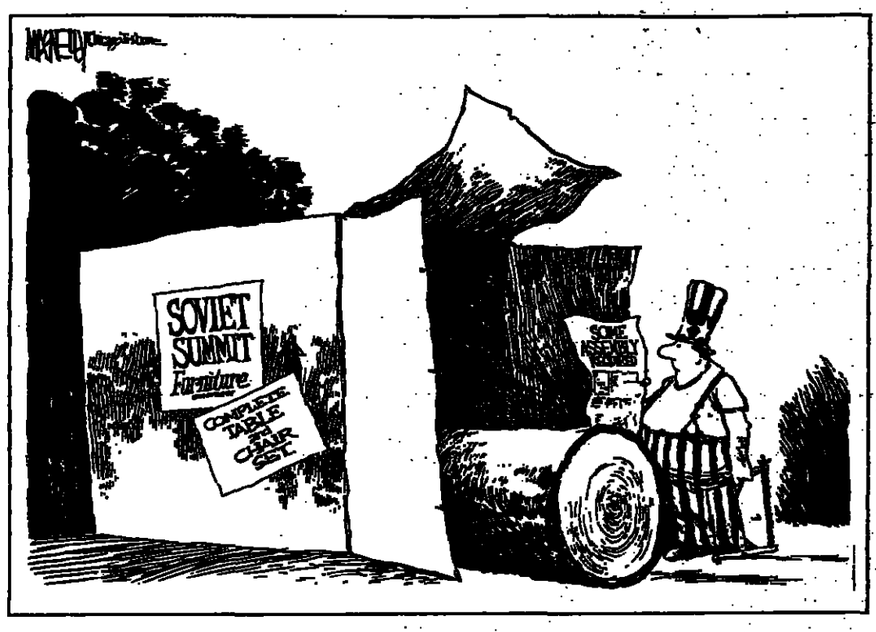
The real reasons for refusing a test ban are simpler: The president is obsessed by the fantasy of "star wars," certain components of which will require testing if the program is pursued, and administration advocates of war-fighting strategies want to go on building new and more sophisticated offensive weapons.

Mr. Reagan is thus the first president to show no interest whatever in a cessation of nuclear testing. His road to "real agreements" runs through the uninterrupted building of more weapons as a means of providing America with a coercive edge in negotiation. Either he and his advisers fail to grasp the demonstrated futility and danger of that approach to arms control, or they reject a test ban because it inconveniently conflicts with their own visions of U.S. dominance.

The United States thus has drifted into a strategic posture that is provocative and self-defeating. Mr. Reagan's vague military goals exceed the rational requirements of deterrence by reaching for the illusion of superiority. This leads not to reduced tensions but to an accelerated arms race whose costs and dangers are equaled only by *its futility.*

By any objective reckoning, the world situation today presents a historic opportunity for substantial improvement in U.S.-Soviet relations, including solid prospects for practical arms control agreements of great mutual benefit. But unless the Congress and U.S. public opinion assert themselves on behalf of common sense and the true national interest, the opportunity probably will be lost.

The writer, a former undersecretary of the U.S. Air Force, is a member of the board of the Committee for National Security, an organization concerned with defense policy. He contributed this comment to The New York Times.



A Broader Attack on Terrorism

By Pranay Gupte

NEW YORK — The last few days have brought the bloodiest barbarism the world has witnessed in some time. The guns and grenades of terrorists may have been aimed at long-standing targets — the United States and Israel — but most of the victims were men, women and children of the Third World.

The condemnation from Third World leaders of the brutal events seemed surprisingly mild. Perhaps *that was because of suspicions that a* hidden hand behind the massacres in Karachi and Istanbul was that of Colonel Moammer Gadhafi of Libya, a feared figure in the Third World.

The evidence is circumstantial but it is noteworthy that the attacks on a Pan American airliner in Pakistan and on a synagogue in Turkey came only days after Colonel Gadhafi vowed at the Nonaligned Movement summit meeting in Zimbabwe to subject American and Israeli interests to a new reign of terror. Third World leaders may not have applauded the Libyan's speech enthusiastically but many left the impression that they did not entirely disagree with his assessment of U.S. foreign policy and his aim of disabling the superpower and its Middle East ally.

International terrorism, it has become clear, cannot be checked solely by military action. Terrorist cells, and their backers, are too shadowy and diffuse. Some of President Reagan's advisers may urge another bombing of Libya, but it would be impossible to attack every suspected terrorist sanctuary in response to every act of terrorism. Colonel Gadhafi has played the role of underdog well, and an attack on Libya would rally Third World leaders behind him.

The Libyan also embodies a broader resentment over what developing nations see as American coercion aimed at securing their allegiance. Some Third World leaders say that by brandishing a political stick and often denying them much-needed aid, Washington has transformed more and more developing nations into implacable foes.

Colonel Gadhafi and his fellow radicals also give voice to a latent anti-Semitism that exists in many parts of the Third World, usually manifested in terms of anti-Israeli rhetoric. The Jewish state is perceived through the prism of historical animus and ethnocentric reservations. This view sustains the warped notion that Jews everywhere are but participants in a Zionist conspiracy to dominate the world. How else to explain the savagery of the murder of Jews in the Istanbul synagogue?

The longer the Third World leaders remain timorous before leaders like Colonel Gadhafi, the greater the likely effect on their own societies. Most of the victims of the Karachi massacre were from India, a country whose leadership has defended Colonel Gadhafi and condemned Israel.

Libya and other sponsors of terrorism, including the Palestine Liberation Organization, have assisted militants in countries like Sri Lanka, Morocco, Indonesia, Malaysia, Uganda and El Salvador. Third World leaders, by their muffled indignation over terrorist incidents, may be enhancing their own vulnerability to terrorism.

What is urgently needed is a new bonding of interests between Third World moderates and leaders of the West to combat international terrorism. Such collaboration need not embrace a wide spectrum of issues, nor need it be a coalition of ideologies and narrow political objectives. It can be issue-specific, focused on a common concern — terrorism.

What is also needed is a fresh recognition by the West that, apart from long-standing feuds over the Middle East, terrorism in the Third World has as its root causes poverty, social degradation and political impotence. Western development aid to the Third World seems to be slowing because of a perception that it has been misused. By contributing afresh to vital programs to curb overpopulation, tackle high infant mortality and promote literacy and health care, Western donor nations would be investing not only in Third World development but in global security.

Perhaps a new international institution is needed to deal with terrorism in ways the United Nations has not. It could coordinate global policies and efforts on a nonpartisan basis. There is no single solution to tackling terrorism. But incremental steps can help reduce the threat.

The writer is completing a book on development in the Third World. He contributed this comment to the International Herald Tribune.

Of Mitterrand and the 'Galloping Horse of History'

By James Reston

PARIS — President François Mitterrand of France was sitting on a straight-backed couch in Elysée Palace talking quietly the other day about what he called "the galloping horse of history."

I had asked him if political leaders really made a difference in the world or were merely prisoners of past philosophies and present events. He regarded this with an eloquent stillness and then replied, yes indeed, they do make a difference. In the Soviet Union and elsewhere, he added.

"I can remember," he said, "once talking about the events of history as if one were talking about a galloping horse, a stampeding horse. Some of the riders who clamber aboard the stampeding horse of history manage to tame it. Others don't quite succeed that far, but without fully taming it, they do at least manage to make it take a different direction."

He was cautiously hopeful that Mikhail Gorbachev in Moscow was trying to explore new paths to the future. "The developments of the last several months," he observed, "give greater cause for optimism than those at the beginning of this year. I would say it is obviously in the interest of Mr. Gorbachev and his country not to continue indefinitely with this obsession for more and more arms.

"He does need a success in terms of raising the standard of living in his country," he added. "And I think he is a sufficiently modern man to recognize that economic success is a component of power."

Mr. Mitterrand added that he found a positive ring in President Reagan's most recent statements on East-West relations. So he thought that for the moment there seemed to be a better convergence of interests and intentions in Washington and Moscow, which might lead to some sort of compromise.

On the subject of President Reagan's Strategic Defense Initiative, Mr. Mitterrand drew a distinction between ends and means.

He was convinced, he said, that space would be the new "Far West" frontier, the place to conquer in years to come. Man's dreams will be realized eventually, he predicted, but he did not think the most immediate objective should be in the field of military technology.

He discussed his differences with Washington in the most courteous terms, but differences exist. Mr. Reagan had kept him informed about the SDI program, he said, but "We simply have a different view of things."

But he was clearly unhappy about their differences over U.S. military action in Libya, and is no admirer of the Reagan administration's fascination with "public diplomacy."

"Of course," he said, "I in my own manner am a liberal in the European sense of that term, and the United States will do what the United States wants to do. I cannot say what they should think fit or necessary to defend themselves."

Mr. Mitterrand is not an easy man to interview. In an hour and a half with my wife and me, he scarcely moved or gestured, and he has that *old-fashioned habit of pausing and* thinking before he speaks.

He was not hopeful about progress in the Middle East. No method of conciliation has been successful there, he said; it was a tangle, and always has been, but he felt the best approach lay in direct contact between the warring factions, including, he implied, the PLO.

Mr. Mitterrand saw little hope for South Africa. "I'm very much afraid that things are going to be bloodier than they have already been, barring a change in policy or some miracle of good will." In South Africa, he reflected, we are talking about a matter of life or death. If you don't opt for death, then you have to make a stand for life. The whole of international society, he insisted, men of good will everywhere, must bring pressure to bear so that the choice made is that of life, and not the everyday bloodbath that seems to be commencing.

Nevertheless, he rejected the pessimistic view that there are some problems in the world beyond not only solution but hope.

He recalled that for generations many people in the United States could not imagine any reconciliation between the races. Yet since the war of secession, America has become a much more united land.

Likewise, he said, France and Germany fought the cruelest wars three times in one century, and many could imagine no future except hostility between them. "But we have become good friends. Time is a partner."

He recalled in support of his optimism a book he had written called "The Bee and the Architect." The title came from a quote by Karl Marx noting that the bee makes simple perfect cells, always identical. Man cannot do that, but his advantage is that he is an architect and can engineer a different cell, if he is clear in his imagination of what he wants to do.

Mr. Mitterrand made one request: that I should express his gratitude for the welcome extended to him at the Statue of Liberty celebration on July 4 in New York. "With the American leaders," he concluded, "our dialogue has always been very good. We are capable of agreeing to disagree while keeping an open mind."

The New York Times.

Pakistan: A Wayward Democracy

By Stephen Rosenfeld

ISLAMABAD — A new party was born the other day in the swarm and swelter under a brightly colored tent in Lahore. The leader, a cheerful, beefy landowner named Ghulam Mustafa Jatoi, split from the major opposition party led by the jailed Benazir Bhutto, and prepared, he hoped, to face down President Mohammed Zia ul-Haq, whom he reviled for failings up to and including Pakistan's burgeoning drug addiction. One wondered whether democracy may be coming after all to this country.

Alas, it is a long and steep climb. Clearly, Pakistan has a democratic instinct and the makings of a democratic class. It is impossible to see opposition people go into the streets peacefully and unarmed against police batons and bullets, and still believe that a tame pseudo-democracy is the best the country can do. And Pakistan has an overwhelming reason — beyond easing relations with its principal patron and nagger, the United States — to move toward democracy: to ease a darkly threatening question of national identity.

But Pakistan also has, as an unapologetic General Zia told me, an underdeveloped political community ("unpatriotic" was his word), a military with a lingering taste for politics, and a brace of neighbors, Soviet-occupied Afghanistan and nuclear-ready India, providing a rationale for indefinite military rule.

Americans sometimes posit a universal democratic man, straining for the rigors of self-rule. A week in Pakistan uncovers only modest straining here. Other priorities vie: security (and its popular dynamic of seething mistrust of India), explosive tensions among Pakistan's provinces and tribes, the conflicting pulls of Islam.

Then there is the power structure. A handful of families with huge land holdings work with the military and bureaucratic elite to preserve privilege. These elements, some with Oxford educations, decided to keep the peasants pliable by denying them literacy, the essential tool of self-respect and mobility. It is only partial compensation that successive rulers, including General Zia in eight years of martial law that ended last year, have reduced (all but eliminated, the government reports) the "absolute poverty" of the people at the bottom in this poor and feudal society.

Today's politics are the stuff of melodrama: the impetuous Benazir Bhutto's media-reliant crusade against General Zia, who was responsible for the execution of her father, the former prime minister; General Zia's duel with Mohammed Khan Junejo, the prime minister he named in ending martial law but whom he cannot fully control; Mr. Jatoi, a "feudal" at ease with the back-room style of politics here.

But there is no consensus on the political rules, let alone on what the playing field should be. It seems apt that no grass yet grows in front of the new National Assembly building here on what, some hope, is to be named Constitution Street.

Under it all is Pakistan's corrosive identity crisis, recognizably like Israel's, that other state founded as a home and refuge for one religious group. The analogy, I hasten to add, is rarely invoked here.

Pakistan was founded as a secular state to harbor the subcontinent's Moslems, though (a sensitive point) more choose to live in India than here. Pakistan was not so much founded as torn from India, leaving many Pakistanis fearing that India, with Soviet help, would not allow their nation to endure.

Their doubt tends to militarize the country, making it reach out for more distant friends. But these friends — the United States, China and Iran — have ideologies that create internal tremors here. It is not easy to be a secular Moslem state in the pressure cooker of late 20th-century Islam. Great energies go into debates — on loan interest, for example (Islam scorns this) — that other states pass by.

Pakistanis ask if the nation, far from being the ever more Islamic nation of General Zia's rhetoric, is a Punjabi preserve, the Punjab being the favored, dominant province, much represented in the military.

Finally, they ask in some despair whether the country is more than what the army makes it. The army takes up to 45 percent of the budget, and drives Pakistan's nuclear program. But notwithstanding a strain of provocation in opposition politics here, the military is also quick to break up peaceful marches and bust heads. This has cast a pall over whether Pakistan will progress through the stages of General Zia's "guided democracy."

Pakistan has, I suspect, a strong interest in seeing the ways of democracy take firmer root. The strengthening of its political institutions promises the best chance to work out its real identity. The process is bound to be hard, the result rewarding and true.

The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Alert in Szechuan

PARIS — A despatch from the Herald's Peking Bureau [on Sept. 7] told of the rising in Szechuan against Government control of the railways in that province. Soldiers from Hupeh province were placed at the disposal of Tuan-Fang, director-general of railways, who was instructed to proceed from Hankow to Szechuan to effect a settlement. The Hupeh soldiers were despatched on account of the report of the Viceroy, General Chao Ehr-Feng, that the Szechuan troops sympathized with the agitators. Mobs had destroyed the Government tax office at Chengtu.

PEKING — The situation in Szechuan is critical. The Viceroy instructs all foreigners at Chengtu to congregate in the Canadian Methodist compound, which is easiest to defend. Foreigners in the country districts are fleeing to the cities. There are 70 Americans near Chengtu.

1936: Labor Day Politics

WASHINGTON — President Franklin D. Roosevelt made the most powerful speech of his campaign for re-election on Labor Day [Sept. 6]. "There will be no lessening of the work relief program until all workers have a decent job and decent wages," he pledged. "We do not surrender our responsibility to the unemployed," he declared, which thereby flung the gauntlet before monied classes which have rallied to the Republican banner through fear of work-relief taxes.

WICHITA — Taking the slogan "Keep the United States out of war," Governor Alfred M. Landon celebrated Labor Day by addressing World War veterans at the convention of the American Legion of Kansas. War between nations and war between labor organizations, and the recent split in the American Federation of Labor, were deplored by the Republican Presidential candidate.

America's
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In a First,
By Clyde Haberman
New York Times Service
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OPINION

America Should Spur Itself To Curb Russia's Excesses

By George F. Will

WASHINGTON — In Washington it sometimes seems that almost everything is legal, and absolutely everything is permissible — except simple declarative sentences, such as: Nicholas Daniloff shall be free within 24 hours or the Soviet ambassador shall depart these shores on the 25th hour.

When the State Department said it would not tolerate a link between the Daniloff case and that of Gennadi Zakharov, the UN employee recently charged with espionage, realists knew to expect the linkage in 24 hours. It came with President Reagan's offer to turn Mr. Zakharov over to Soviet custody pending trial in the United States.

KGB agents pounced on Mr. Daniloff, Moscow correspondent for U.S. News & World Report, when a Russian acquaintance handed Mr. Daniloff a package that the KGB says overflowed with secret material. The crudeness of the frame-up justifies two inferences: Soviet authorities have reasonably concluded on the basis of recent experience that U.S. weakness in such episodes enables the Soviet Union contemptuously to dispense with subtleties. And Mr. Zakharov must have been involved in acutely sensitive matters, so eager are his employers to get their hands on him.

With regularity, Moscow commits some outrage, then Washington indulges in an ineffectual display of indignation.

That, they now will do, and will administer psychological and perhaps chemical treatments to reduce his capacity for damage when — and if — he ever comes to trial.

With metronomic regularity, the Soviet regime does something outrageous and the U.S. government indulges in perfunctory displays of indignation, to no effect. The most substantial response to the invasion of Afghanistan — the grain embargo — was ended by a rhetorically conservative president who, five years later, with the slaughter of Afghans continuing, is subsidizing grain sales to the Soviet Union.

When the Soviet Union orchestrated the suffocation of Poland's Solidarity, Mr. Reagan refused to use as a weapon the credits that sustain all the mendicant economies of the Evil Empire. To the Korean Airlines massacre, he responded with a rhetorical vigor inversely proportional to his policy response. In 1985, when a U.S. Army major was shot by Soviet troops while performing his duties in East Germany, and was left on the ground to bleed slowly to death, Mr. Reagan said such "episodes" whetted his appetite for summits.

Given this squalid record, who is mystified that in dealing with Mr. Reagan (who in 1980 said: By cracky, no one will take Americans hostage on my watch), the Soviets made Mr. Daniloff a hostage and Mr. Reagan promptly offered to make a deal. Actually, The New York Times is mystified.

Its editorial, "The Journalist Held Hostage" *(IHT, Sept. 4)*, the tone of which is "Say it ain't so, Mikhail!", displayed the intellectual contortions of incorrigible détentists. There are, said the Times, several possible explanations of Mr. Daniloff's arrest "but none speak (sic) well of the Soviet government." How vexing: an incident that complicates speaking well of that government.

The Times wonders whether, if Mr. Daniloff was seized in response to Mr. Zakharov's arrest, the KGB acted "on its own," showing "alarming independence." On the other hand, if — say it ain't so! — the Politburo approved, the Times sees an "alarming" sign.

Read slowly: "a sign that (the Politburo's) bureaucratic interests take precedence over diplomacy and decency."

So, if the Soviet regime has lapsed this once from decency, it must have done so because of some quirky "interest." This is a way of defining the episode as aberrational, not characteristic.

The Times does wax stern: The incident is "an ominous reminder of how pendular may be the 'openness' promised" by Mr. Gorbachev. Not since Stalin's reign has a frame-up resulted in an American being imprisoned, and the Times wonders: "Does Mr. Gorbachev really mean to summon up that ghost?"

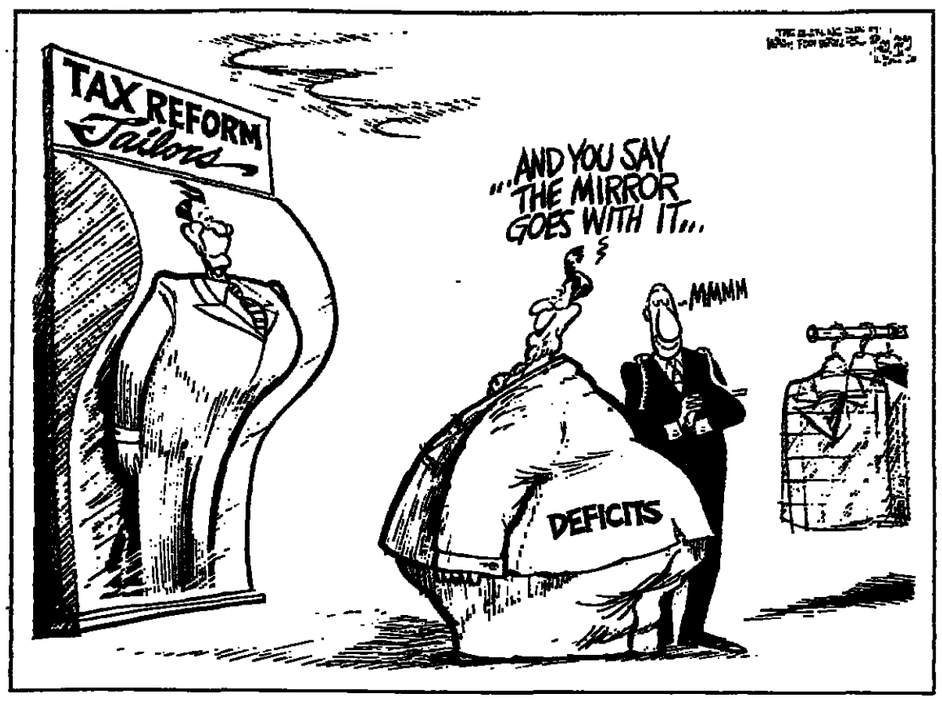
Ghosts, yet. The problem is not Stalin's ghost, it is that Mr. Gorbachev and his colleagues are Stalin's children.

Next month, Oxford University Press publishes Robert Conquest's "The Harvest of Sorrow," his harrowing history of the terror-famine of 1932-33, by which Stalin crushed the Soviet peasantry and the Ukrainian nation, causing more deaths than were suffered in World War I by all the belligerents combined.

Mr. Conquest notes that even in today's supposedly "de-Stalinized" Soviet Union, there is utter tendentiousness in the few references to that holocaust. The Large Soviet Encyclopedia article on famine does not mention it. When the regime refers to the "so-called famine," it blames reactionary landowners. Perhaps that is "pendular openness."

Many in the West live by, and the West may yet die by, the hope that the Soviet system is evolving into something other than the system that caused the famine and today buries the truth about it. The problem — Mr. Daniloff's problem — is not a ghost. The problem is Stalin's children and their filial piety.

Washington Post Writers Group.



Rooting for the Underdogs, Or, Cliff-Hanging at the Net

By Michelle Preston

PRINCETON, New Jersey — One thing has become clear as we have taken our places at the National Tennis Center to watch the U.S. Open: Unlike baseball fans who swear lifelong allegiance to the home team, tennis fans are a fickle bunch who turn traitor the moment either player wins an advantage. They want nothing more than to get their money's worth by seeing every match end in a dramatic tie-breaker.

MEANWHILE

Consider a typical match one evening recently. The sky over the tennis center has been dark for more than an hour and the jets that roar overhead are now less frequent. It is getting chilly and late.

Hana Mandlikova is serving against Wendy Turnbull. Seventh game, third set. The score is tied at one set each, three all, deuce. Miss Mandlikova, the defending champion, has to hold serve in order to stay in the match. She nets a backhand. Advantage Miss Turnbull.

The crowd groans, and then voices begin to puncture the still night air. "Come on, Hana. Stay tough." Miss Mandlikova saves the point.

The crowd roars again, and again the voices ring out, this time for her opponent. "Come on, Wendy! Break her serve!" Miss Turnbull scores. The crowd cheers for Miss Mandlikova. Hana hangs on to another point, and the crowd begs Wendy to beat her.

Back and forth the crowd's allegiance swings. It bestows its cheers on whoever has fallen behind. Abandoning all thought of the future, fans care only about dragging this game and the match through as many cliff-hanging points as it can extract from the tense players.

As children, we all learned the precept of good sportsmanship. Not only is it nice to root for the underdog, but if he or she actually listens and starts to play well, you are rewarded with a close, exciting game. But aside from tennis fans who practices it? If the Mets were leading the Red Sox, 5 to 2, late in the seventh game of the World Series, what New Yorker in his right mind would yell, "Come on, Boggs! Hit a triple and force this one into a 10th inning"?

Tennis is said to be a gentleman's sport. At Wimbledon, polite impartiality is as de rigueur as players' white clothing and curtsying before the Royal Box. But at Flushing Meadow, rooting for the underdog has more to do with getting your money's worth. It just isn't fair to have the championship decided before you have had a chance to finish your nachos. You have to cheer for the player who is behind.

There are other reasons for rooting for the underdog. Tennis fans tend to be tennis players (usually mediocre ones). We can identify with someone who nets four backhands in a row. My friend confessed, "I like Hana. She reminds me of my inability to concentrate." Cheering for the player who falls behind, we hackers cheer for ourselves.

Finally, there is the post-match interview. Whether the top seed or a qualifier, the player who has come from behind to win a match seems genuinely thrilled to trade pleasantries with a network courtside commentator while the stadium empties. The victor's conversation reaches heights of eloquence.

Underdogs are modest, and they do not make excuses for either themselves or their play. Their behavior takes on the stoic charm of football players like William "the Refrigerator" Perry, who would never say, "Don't ask me about that missed tackle, man, because I was out late at Lamaze class last night."

We root for whoever is behind because the tennis underdog is the gentleman of the gentlemen's sport — so, may the best players win, and may the course of each match change at least 100 times.

The writer, an amateur tennis player, contributed this to The New York Times.

LETTERS TO THE EDITOR

A Right to Assimilate

Regarding "To Stay Jewish, Be Israeli" (Letters, Aug. 30):

As an American of Jewish ancestry, I am glad Israel exists for those who need it. But I do not. It is a foreign country and its people are strangers to me. We share a historical and religious heritage, and that is all. Why should I not assimilate with the culture I was raised in and identify with the land of my birth? Why shouldn't I marry a non-Jew, if my affections so dictate? Do not tell me it is to "preserve the purity of the race." After Hitler, that would be too much!

If I feel Jewish, I will not be any the less so — nor will my children, if they are raised as Jews. In the unlikely event that Israel and the United States went to war with each other, I would be conscious of the sad irony of my situation, but I would destroy what is left of the Temple a second time if necessary. No supranational mysticism would stop me.

According to Zionist logic, all religions and peoples should revert to where they started and the world should be set back like a clock to the year 650 B.C. If the Jews were "chosen" by God for anything, it certainly was not to wall themselves off from the rest of his creations. It was to propagate justice, equity and mercy on earth, a mission that modern Israel seems to have forgotten. My grandparents, fleeing czarist tyranny, found their Zion in America.

MICHAEL ROSEN.
Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Who Will Be on the Ball?

The report "As Top U.S. Men Stars Fade, Whither Tennis Itself?" *(Sept. 2)* hits the nail on the head. Will the glamour of the game fade when the top U.S. stars go the way of the Australian greats, Ken Rosewall, Lew Hoad and Rod Laver, who blazed a trail of glory on the tennis circuit of the 1950s and early '60s? Will the 1980s and '90s be dominated by a new crop of European players of the caliber of Ivan Lendl, Boris Becker and Mats Wilander, and can we expect a revival of the glorious days of the 1930s when Henri Cochet, René Lacoste, Jacques Brugnon and Jean Borotra reigned as the immortal Four Musketeers of French tennis? Let's hope so.

A.I. OUANG.
Neuilly-sur-Seine, France.

A Message to British Voters

May I through the columns of your paper remind British citizens of the changes that have taken place in the electoral law within Britain? Provided they were included in a U.K. electoral register within the last five years and intend returning to this country, they can now vote in parliamentary elections.

Anyone wishing more information should contact the nearest British consul or diplomatic mission for the necessary forms, since the deadline for such registration is Oct. 10.

ALAN McKINNEY,
Scottish National Party, Edinburgh.

A Disenfranchised Briton

As a British citizen who has the right of abode in the United Kingdom and who has resided in a European Community country other than the United Kingdom for over five years, I object strongly to my disenfranchisement in the European Parliamentary Elections. I am a citizen of the EC and therefore should have the right to vote.

VALERIE KRISTIANSEN.
Vedbaek, Denmark.

The $100 Bill Is Old Hat

William Safire's naïveté is breathtaking. *("To Discomfit Drug Dealers, Call In the Big Greenbacks," Aug. 26.)* The smarties and real pros switched to fifties and twenties beginning two decades ago, with only small fry (and such types as the Watergate shredders) staying with the much easier to trace C-notes. I am told that balls of $100 bills rarely turn up in our Bahnhoff Strasse banks. And the few singles are produced by that extremely rare item (see the currency exchange rates) the American tourist.

P.B. WILLET.
Zurich.

A New Boston Tea Party?

Doesn't anybody see the irony of inviting the heir to the British throne to speak at the 350th anniversary of one of America's first universities? Certainly the martyred 18th-century American patriots do. Once more uncomfortable and "archaic" principles of American political philosophy are sacrificed to the exigencies of creating a media event. This intellectual curtsy is an egregious error on the part of the present custodians of Harvard's grand legacy.

ROBERT GROSSMAN.
Samedan, Switzerland.

The Lesson of Chernobyl

In response to the editorial "The Chernobyl Report" (Aug. 25):

The Chernobyl disaster shows us how vulnerable our modern civilization is to deadly nuclear weapons. However sophisticated our defensive methods, they are helpless to protect it from disaster, against the wishes of God and all human and living beings.

If the Soviet Union could not control the Chernobyl disaster, who could?

MOHAMMED ALI AKBAR.
Dubai.

In a First, Japanese Socialists Pick Woman Leader

By Clyde Haberman
New York Times Service

TOKYO — In this country where politics is virtually an all-male preserve, a woman has been chosen for the first time to head a major party.

Takako Doi, a member of the Diet, or parliament, since 1969, was overwhelmingly elected Saturday as chairman of the main opposition force, the Japan Socialist Party. The position will give her great prominence but perhaps just as much frustration.

The Socialists, a declining influence in recent years, have been rudderless since early July, when they suffered their worst defeat ever in a national election. In the Diet's decision-making lower house they won only 86 seats, while the long-governing Liberal Democratic Party surged to a record high of 304.

Reviving the opposition camp is a formidable and, in the opinion of many political experts, unattainable goal. Nevertheless, Ms. Doi promised to try.

AP

Takako Doi

"I will do my utmost to transform this into a party of vigor and creativity, one which is competitive with the LDP," she said. She easily defeated Tetsuo Ueda, the former head of the Socialists' education and propaganda bureau, in voting by 70,418 party members last week.

Ms. Doi, a 57-year-old former law professor, acknowledged that she was a rarity in Japan. She said she would avoid "authoritarian politics and, instead, practice politics that respects human beings and human rights."

Ms. Doi is one of only 7 women among the 512 members of the lower house. The balance is better in the Diet's far less important upper chamber, where 22 of the 252 members are women.

At the local level, the numbers are striking. None of Japan's 47 prefectural governors or 652 big-city mayors is a woman. Only two female chief executives can be found in the country's 2,500 towns and villages.

Socialist Party elders are looking to Ms. Doi to win back voters who have recently abandoned the party, especially young people and women.

Ms. Doi is well versed in foreign affairs and is regarded as politically moderate, acceptable to both the left and right wings of her party.

She is outspoken and physically imposing, by Japanese standards, and enjoys baseball and *pachinko*, a game akin to pinball.

But Ms. Doi has almost no chance of assuming power.

The Socialist Party, once a potent force, has been in crisis lately. It has been propped up mainly by union leaders who are more interested in preserving their party influence than in winning over Japan's conservative electorate.

Under Ms. Doi's earnest but bland predecessor, Masashi Ishibashi, the party tried to adjust its image, playing down traditional Marxist-Leninist dogma and showing a new willingness to accept Japanese military spending and the country's commitment to nuclear power.

None of this excited voters, however, and Mr. Ishibashi resigned to accept responsibility for the July election debacle. Ms. Doi is expected to follow his basic "pragmatic" path, but she has yet to offer a concrete program.

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(Continued From Back Page)

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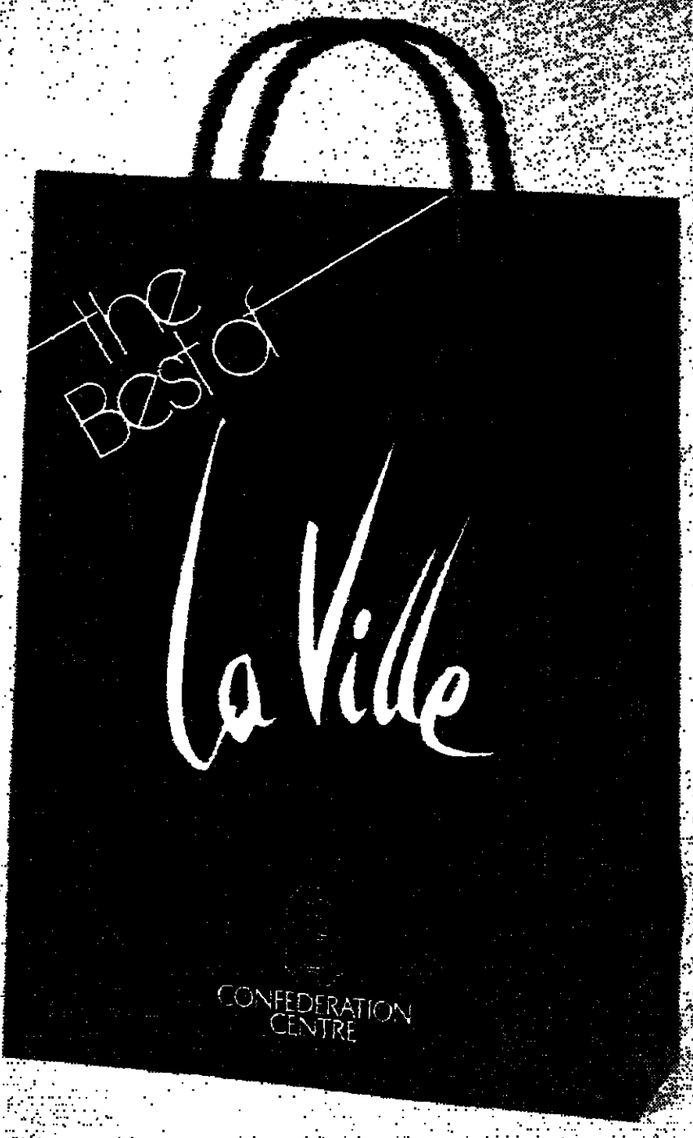

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Major Breakthrough On Inspection Cited in Stockholm Arms Talks

Reuters

STOCKHOLM — Moscow has conditionally accepted a role for neutral countries in monitoring troop movements in Europe, and delegates at disarmament talks here said the move removed one of the main obstacles to an agreement.

The Swiss foreign minister, Pierre Aubert, said Saturday in Moscow that the Soviet Union had conditionally accepted a Swiss offer made at the European Disarmament Conference to provide East and West with a plane and crew for inspection of troop deployments.

Austria, a neutral country, as is Switzerland, has made a similar offer.

Western delegates said the Soviet move removed one of the last major obstacles to an accord at the 35-nation conference, which ends Sept. 19, but cautioned that it was unclear what Moscow's conditions were.

The Soviet chief of staff, Marshal Sergei F. Akhromeyev, said at the conference last month that the Warsaw Pact could accept aerial inspection only if it were done in aircraft provided and flown by the inspected country.

After the Soviet concession on aerial inspection by neutral aircraft, the last remaining major hurdle at the talks is the threshold for notification of military activities.

The North Atlantic Treaty Organization originally put the number at 6,000 troops, compared with the Warsaw Pact's current position of 16,000. But both sides have indicated a willingness to compromise.

The conference began in January 1984. Participants have been trying to work out ways of avoiding war in Europe through an accident or a miscalculation about the numbers and movements of troops. The conference involves the United States, Canada and all the European states except Albania.

■ U.S. Criticized

The Soviet newspaper Pravda said Sunday that the United States had conducted a nuclear test in Nevada on Thursday and accused Washington of seeking to force an arms race on the Soviet Union, Reuters reported from Moscow.

Pravda said Moscow's extension of its unilateral moratorium on nuclear tests until the end of the year was seen by many countries as a way of bringing an end to the arms race, "the most urgent problem of the day."

"The echo of the explosion that thundered from the Nevada test site on Sept. 4 reminds the people on Earth what kind of obstacles and obstructions stand in the way," it said.

"By continuing nuclear tests the United States demonstrates its disregard of people's hopes forever to eliminate" the threat of nuclear war.

The press agency Tass, in a report from New York, earlier quoted a U.S. anti-war organization, American Peace Trust, as saying a secret U.S. test was conducted in Nevada on Thursday. The United States rarely announces such tests.

■ Mixed Signals

Mixed signals emerged Saturday from two days of talks between U.S. and Soviet arms-control experts designed to set the stage for presummit meetings later this month between Secretary of State George P. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze, The Washington Post reported from Washington.

The leader of the Soviet delegation, Viktor P. Karpov, emerged from the closing session at the State Department and said that "no progress" had been made.

A U.S. official said he doubted that "Karpov would make that report in Moscow."

But the only official U.S. statement came from a State Department spokesman, who described the sessions as "serious, substantive and businesslike." He said details would remain confidential.

Giulio Broglio/The Associated Press

POPE IN THE ALPS — Pope John Paul II walking down from a shrine atop Italy's Mount Chetif, which is 7,687 feet high, on Sunday. The pope, delivering his noon blessing, condemned the attacks on a Pan American jet in Pakistan and a synagogue in Istanbul.

Russians Get Tough With 'Rambo'

Reuters

MOSCOW — The largest Soviet republic has decreed private showings of violent films an offense punishable by up to two years in prison.

The decree was adopted by the ruling body of the Russian Soviet Federative Socialist Republic on Aug. 1, the body's weekly bulletin of new laws said Saturday.

The decree came as the Kremlin showed growing concern over the the spread of Western films, particularly on video cassettes, that it regards as anti-Soviet.

The decree said the making, distribution or showing of films propagating "the cult of violence and cruelty" would be a criminal offense.

Soviet newspapers have recently reported cases where people have been punished after charging an entry fee for showing videos of the American films "Rambo" and "Rocky."

Under the decree in the Federative Socialist Republic, convicted offenders would be sentenced to up to two years in prison, two years of corrective labor or fines of up to 300 rubles ($435) for showing such films.

The other 14 Soviet republics usually adopt laws similar to those adopted by the Federative Socialist Republic.

■ Comparison Rejected

Mikhail Nozhkin, a Soviet actor, criticized the Western press Sunday for suggesting that he played a Russian-style "Rambo" in the film, "Solo Voyage," The Associated Press reported from Moscow.

Mr. Nozhkin starred as Major Shatokhin in the film, battling CIA agents and American soldiers in a fashion that prompted some Western reviewers to liken him to "Rambo."

In an article Sunday in the newspaper Sovetskaya Rossiya, Mr. Nozhkin rejected the suggestions.

"Rambo preaches the cult of force and the right of the fist and asserts his superiority over the others at all costs," the actor wrote. "Shatokhin is an ordinary man. His strength and fortitude manifest themselves in an extreme situation."

In "Rambo," Sylvester Stallone plays a Vietnam veteran who returns to Southeast Asia and is tortured by a sadistic KGB agent during his effort to rescue American prisoners of war.

"Solo Voyage," which has been a summer hit in Moscow theaters, portrays Mr. Nozhkin's struggle to stop U.S. mercenaries from launching a nuclear rocket to start World War III.

"Shatokhin fights not America but a bunch of adventurists prepared, for what they believe would be their own survival, to pit the two great powers against each other in a nuclear war," Mr. Nozhkin said. "It is this situation that makes Shatokhin take up arms."

No One at Graveside of a Fallen Sowetan

By William Claiborne
Washington Post Service

SOWETO, South Africa — Gladys Mazibuko was dressed in her Sunday best and waiting in her tiny house in this black township for the undertaker to drive her to Avalon Cemetery to bury her son, Themba, who was shot to death by police during street battles.

After hours dragged by, she recalled, her daughter rushed into the house in tears and asked her if she had been at the cemetery when Themba was buried.

Stunned, Mrs. Mazibuko was unable to answer before a friend entered the room and handed her a piece of paper with her 19-year-old son's grave number written on it.

Mrs. Mazibuko grimaced as she related what happened Thursday, the day she expected a mass funeral to be held for the 24 victims, including her son, of the Aug. 26 unrest in Soweto's Jabavu and White City neighborhoods.

"The man from the funeral parlor brought Themba's body here at 10 o'clock, and we followed the hearse to the stadium," Mrs. Mazibuko said, referring to the Jabavu soccer stadium where community leaders and clergymen had planned a mass commemorative service.

"The place was full of tear gas and we were refused entry into the stadium," she said. "They ordered the hearse driver to take the coffin to the cemetery, but he refused."

She said the driver decided to take the coffin back to the mortuary and "told me to go home and wait for him."

After Mrs. Mazibuko learned late Thursday afternoon that Themba already had been buried, without any relatives present, she and the family raced to the cemetery, she said.

"I said a prayer for him," said Mrs. Mazibuko, a devout Anglican, "but there was no priest there and there was too much tear gas. We had to leave."

Mrs. Mazibuko's family is one of at least five in Soweto whose relatives were secretly and hastily ordered buried by the authorities in an attempt to avert a potentially explosive mass funeral.

Their anguish underscored the importance that elaborate interment rituals play in the black culture here. It also illustrated the danger posed to the security forces in blocking heavily attended funerals for victims of police shootings, as well as in permitting the funerals to take place.

Perhaps more than any other type of police action, the breaking up of black funerals inflames the passions of even the most moderate and apolitical residents of the volatile, crowded black townships.

From the perspective of the police forces, however, nothing is more dangerous than a procession of several thousand angry black nationalists marching from the burial of a friend and comrade, directly past the homes of black town council officials whom they hold responsible for the death.

If 24 burials are to take place at once in a mass funeral, as demanded by Soweto residents last week, the danger is considered incalculable.

The hazard is recognized even by outspoken black activists in the anti-apartheid movement, such as Isaac Meletse of Soweto, who heads a national criminal rehabilitation program.

"Religion will play a part, of course," he said before the planned mass funeral Thursday. "But it will be made up of what the people are: the UDF, the unions and the rest."

The UDF is the United Democratic Front, an umbrella organization of 650 anti-apartheid groups with two million members. Many leaders in the group have been detained since a state of emergency was declared June 12.

After banning all multiple funerals or commemorative services for the 24 victims of the White City-Jabavu unrest, the South African authorities Friday decided to permit two burials at a time in Avalon Cemetery, a barren, rocky field.

They strictly enforced limits on the time of the services and the numbers of mourners permitted inside the cemetery.

But by confining the burials to 15 minutes or less and rushing ahead with interments before members of some families could get there, the authorities appeared to have overlooked the strong attachment to ritual within the black culture.

Normally, black funerals take two to three hours to complete at the graveside. During the liturgy, the mother is expected to prostrate herself by the freshly dug grave on a black cloth and be demonstrative in her grief.

As the coffin is lowered and covered with floral wreaths, close relatives, beginning with the mother, deposit handfuls of earth.

"We told them that all we wanted to do was sprinkle soil on the grave, but the grave was already filled," Mrs. Mazibuko said.

■ More Unrest in Soweto

South Africa reported continued violence Sunday in Soweto and said two men had been killed in eastern Cape Province over the weekend, Reuters reported from Johannesburg.

The Bureau for Information said that more than half the violence in South Africa during the previous 24 hours had occurred in Soweto although there had been no casualties there.

EC Set to Impose Sanctions

Reuters

LONDON — The European Community is set to go ahead with limited economic sanctions against South Africa after exhausting other means of pressuring the country to reform apartheid, EC diplomats said Sunday.

The EC has been considering economic sanctions since a visit to Pretoria by a mission of three foreign ministers a year ago.

The diplomats said Britain, West Germany and Portugal, which had sought the delay in imposing sanctions, reluctantly agreed that further delay would seriously harm the EC and leave its nations open to allegations of backing apartheid.

The diplomats said the 12 ministers, who met informally this weekend at an English country house north of London, had agreed that a list of sanctions envisaged at the EC's June meeting in The Hague would have to be imposed. These are expected to be approved formally at the foreign ministers' regular meeting in Brussels next week.

The ministers stuck to the list of sanctions drawn up at The Hague. These consist of a ban on fresh EC investments in South Africa and on imports totaling $1.8 billion a year of South African coal, iron and steel, and gold coins. It was not immediately clear whether these would carried out under EC or national legislation, they added.

Tutu Is Installed as Archbishop, Vows 'We Shall Be Free, All of Us'

The Associated Press

CAPE TOWN — Desmond M. Tutu was installed Sunday as archbishop of Cape Town, becoming the first black to lead the Anglican Church in southern Africa.

Bishops, diplomats and civil rights campaigners from throughout the world were among the 1,400 guests at St. George's Cathedral.

Archbishop Tutu, wearing white robes and a gold miter, entered the cathedral after giving a symbolic three knocks on its northwest door.

The 54-year-old archbishop, winner of the 1984 Nobel Peace Prize for his work against apartheid, was then led to a throne and formally installed as leader of the three million Anglicans in South Africa, Lesotho, Swaziland, South-West Africa and parts of Mozambique.

He pledged to serve his congregation, about 75 percent of them black, "with truth, justice and charity."

Archbishop Tutu's sermon contained appeals for brotherhood and a condemnation of apartheid.

"I abhor all violence," he said. "I condemn the violence of an unjust system such as apartheid and that of those who want to overthrow it.

"It is important when talking about violence to note that the primary violence in this country is the violence of apartheid. Our people are peace-loving to a fault. Would white people still be talking about nonviolent change, as some of us do, if what they have done to us and continue to do to us had been done to them?"

Among the audience were the archbishop of Canterbury, Robert Runcie, leader of the worldwide Anglican communion; Coretta Scott King, the widow of Martin Luther King Jr.; and Winnie Mandela, who Saturday had visited her husband, Nelson Mandela, leader of the outlawed African National Congress, at nearby Pollsmoor Prison.

Archbishop Tutu said he would call on the world not to impose economic sanctions on South Africa if the government lifted its state of emergency and met other conditions to create "an undivided South Africa."

He said he had asked South Africa's president, Pieter W. Botha, to remove troops from black townships, release political prisoners and detainees, legalize outlawed political organizations and negotiate a new constitution with representatives for all sections of the community.

One main theme of Archbishop Tutu's sermon was the concept that all South Africans were members of the same family before God.

He ended the sermon by saying, "We shall be free, all of us, black and white, for it is God's intention."

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.
Prices may vary according to market conditions and other factors.

RECENT ISSUES

Sept. 5

Amt	Security	Mat	Str/ Conv	Issue Price	Mid Price	Yield
y 50000	Nippon Telegra Teleph	5⅝ % '96 Sep	s	101½	100	5.57
$ 200	Inter-American Dev Bk	7¾ % '96 Sep	s	100½	99½	7.70
$ 250	British Telecom Finan	7¾ % '96 Sep	s	100¾	99⅝	7.68
$ 200	Citicorp	8¼ % '93 Sep	s	100	99¼	8.42
$ 150	Lockheed Corporation	7½ % '89 Sep	c	100	99½	7.25
ecu 200	Electricite France	7¼ % '98 Aug	s	98	97¼	7.48
$ 200	New Zealand	7¼ % '89 Sep	s	100½	100¼	6.96
$ 300	New Zealand	7½ % '91 Sep	s	100¼	100	7.50
$ 200	General Motors Accept	7¾ % '91 Sep	s	101¾	101¼	7.35
$ 500	Denmark	7 % '89 Sep	s	100¼	100¼	6.90
$ 100	Philip Morris Co Inc	7⅝ % '90 Aug	s	101½	100⅝	7.44
dm 100	Austrian Control Bank	6 % '96 Sep	s	100	101	5.86
$ 100	Banque Franc Com Ext	7¾ % '96 Sep	s	100	101¼	7.49
y 25000	Sweden	5⅜ % '91 Aug	s	101	100⅝	5.32
y 10000	Bayerische Vereinsbk	5⅝ % '91 Aug	s	101⅛	100⅝	5.72
$ 100	Newmont Mining 18.95	7 % '00Jau	c	100	111½	5.83
y 50000	World Bank	5¼ % '96 Aug	s	100½	100⅝	5.48
$ 300	Norway	7¼ % '91 Aug	s	101½	99½	7.27
$ 100	Creditanstalt-Bankver	8 % '93 Aug	s	101	99¼	8.05
$ 200	Finland	7½ % '93 Sep	s	100½	100	7.50
$ 100	Mercedes-Benz Credit	7½ % '93 Aug	s	100	99¾	7.54
$ 100	Credit Equipm Petit M	7¾ % '91 Aug	s	101¼	99	7.62
dm 300	Electricite France	6⅛ % '96 Aug	s	99¾	100⅛	6.11
$ 150	Volkswagen Intl W/w	3 % '01 Aug	s	100	123	1.29
$ 100	Long-Term Credit Bank	8 % '91 Aug	s	101½	102⅛	7.28
$ 100	Nippon Credit Bank	8 % '93 Aug	s	101	102⅛	7.59
$ 65	Pacific Dunlop 391.23	7 % '99Jau	c	100	98	7.29
dm 75	Benteler Finance	6¼ % '93 Aug	s	100	102	6.38
$ 150	Industrial Bank Japan	8 % '93 Jul	s	101¼	102½	7.52
$ 75	Burlington Ind 21.74	7 % '00Jau	c	100	104½	6.52

STRAIGHT BONDS
All Currencies Except DM

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
	AUSTRALIA						
$ 120	Australia	8½	'86 Oct	100	8.17		8.50
$ 100	Australia	11¼	'90 Oct	115½	6.74		9.72
$ 60	Australia	8¾	'91 Oct	103	8.00	7.48	8.50
$ 200	Australia	11	'95 May	118¼	8.02		9.31
$ 300	Australia	11½	'95 Oct	120¼	8.18		9.53
$ 100	Australia	11⅝	'98 Oct	122	8.42		9.53
$ 100	Australia	11¼	'00 May	116⅝	9.04		9.43
	AUSTRIA						
$ 150	Austria	15½	'88 Mar	112⅝	6.34		13.72
$ 50	Austria	8⅝	'90 Aug	101	8.44	8.41	8.53
$ 100	Austria	13⅞	'92 Jul	127¼	7.67		10.72
	BELGIUM						
$ 250	Belgium	8½	'91 Mar	103¼	7.41		8.23
$ 300	Belgium	7¾	'91 Apr	100½	7.60		7.71
	CANADA						
$ 750	Canada	14⅛	'87 Jun	106⅝	6.04		13.55
$ 500	Canada	10⅛	'88 Oct	107⅛	6.39		9.97
$ 500	Canada	11½	'90 Mar	114¼	6.82		10.07
$ 500	Canada	10	'95 Nov	115½	7.73		8.73
$ 500	Canada	9	'96 Feb	108⅛	7.66		8.38
$ 1000	Canada	15⅛	'91 Dec	117	11.26		13.46

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International Herald Tribune

BUSINESS/FINANCE

EUROBONDS

After Conflicting Signals, Investors Look for Safety

By CARL GEWIRTZ

International Herald Tribune

PARIS — The tea leaves that analysts read for clues on interest and currency-rate movements gave conflicting signals last week, sending investors running for cover to the floating-rate-note market. The signal causing the most confusion was the decline in the U.S. unemployment rate in August. Most forecasters had expected an increase.

Earlier reports had shown a big increases in U.S. retail sales. And a big jump in car sales is expected because of the credit war now being waged among automakers. Adding all this together, analysts suddenly saw a picture of a more robust U.S. economy and, consequently, less pressure on the Federal Reserve to drive domestic interest rates lower.

That was enough to undo the U.S. bond market, where prices fell and yields rose in anticipation that resumed economic growth and some pickup in inflation would drive interest rates higher.

At the same time, the currency markets seemed to be signaling their own message that the dollar had stabilized and would not fall below 2.02 Deutsche marks or 152 yen. That resistance prompted some analysts to forecast at least a technical rebound of the dollar. By Friday it had staged a modest comeback, rising in lockstep with the increase in U.S. market interest rates.

Eurobond Yields
For Week Ended Sept. 3

U.S.$ lg term, Int'l Inst.	8.24 %
U.S.$ long term, Ind.	8.55 %
U.S.$ medium term, Ind.	8.67 %
Can.$ medium term	9.78 %
Aus.$ medium term	14.07 %
French Fr. short term	8.23 %
Sterling medium term	9.70 %
Yen medium term, Int'l Inst.	5.55 %
Yen lg term, Int'l Inst.	6.01 %
NZ$ short term	17.42 %
ECU short term	7.08 %
ECU medium term	7.61 %
ECU long term	7.72 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended Sept. 5
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	21,767.20	12,701.30	8,065.90
Euroclear	44,900.30	36,771.80	8,128.50

To a number of analysts this is all nothing more than a late summer storm that will blow itself out as suddenly as it arrived. These analysts argue that with an increasing portion of U.S. consumer spending leaking out of the economy into imports, domestic economic growth will not surge and with the record trade deficit still widening, the dollar must continue to decline.

"The underlying pace of economic expansion remains moderate and actual inflation is not a threat," said Henry Kaufman, Salomon Brothers economist. "Thus, it remains highly likely that the Federal Reserve will continue to pursue its current expansionary policy" encouraging a weaker dollar.

Investors, however, were in no mood to take any chances on which view is correct and opted for the relative safety of floating-rate notes whose quarterly or semiannual resetting of coupon levels provides maximum protection in an environment of rising rates.

On Friday alone three FRNs totaling $685 million were launched in the Eurobond market, a significant amount considering that at midweek the market had swallowed a record $4 billion FRN from Britain and another $1 billion from financial institutions (of which $275 million was reserved for issuance within one year). In addition, British building societies offered three issues for £450 million.

THE TERMS on the 10-year British notes matched the lowest the market has ever seen, a coupon of ⅛ point below the London interbank bid rate set by Denmark last month. The standard reference rate is the offered rate, Libor, which normally stands ⅛ point above Libid.

Managers said there was tremendous demand for government-issued paper, especially for maturities of five years or less. Britain accommodated this preference by allowing holders to redeem the notes after five years, but at a discount price of 99¼.

Three of last week's issues were perpetual: Westpac Banking's $500 million bearing a coupon of 0.15 percent, or 15 basis points, over Libor; State Bank of Victoria for $125 million at 6¼ basis points over Libor, and $200 million from Rothschild Continuation Finance.

This issue is guaranteed by Rothschild Continuation Ltd., whose principal subsidiary is N.M. Rothschild, the London merchant bank. Perpetual issues are designed to be counted as primary capital and are more akin to preferred shares than to bonds.

In the event Rothschild Continuation Ltd. ceases to own at least 75 percent of the bank, the notes automatically become unguaranteed, subordinated obligations of N.M. Rothschild. In addition, the company and the guarantor have the option of requiring the notes to become subordinated and unguaranteed obligations without the noteholders' consent.

In exchange, holders will be paid ¾ point over Libor for the first two years, ⅝ point over Libor for the following two years, ½

See EUROBONDS, Page 9

Banks See Rush For Loans

Ireland Seeking $500 Million

International Herald Tribune

PARIS — After the summer's lull, the international credit market is gearing up for an active autumn with a number of borrowers actively seeking competitive bids from banks.

Ireland has asked banks to propose terms for a $500-million multi-option facility and Crédit National of France is seeking terms for a $300-million facility.

Cyprus is sounding out banks for terms on a $100-million credit

INTERNATIONAL CREDIT

while American General, the Houston-based insurance company, is looking for up to $200 million. Bankers also report that Czechoslovakia would like to tap the market for up to $300 million.

At least three competing groups of banks are reported to be bidding to arrange a $500-million transaction for India's Oil and Natural Gas Commission. The State Bank of India's restructuring of a 1984 loan of $100 million was oversubscribed by about 25 percent. The amount will not be increased.

The 1991 maturity on the restructured loan is unchanged from the original. But banks will now receive an annual fee of 7½ basis points, or .075 percent, down from 12½ originally, and are obliged to provide funds at a maximum charge of 7½ basis points over the London interbank offered rate, down from a cap of 18¾ basis points.

An interesting twist is that banks can give up their annual fee to receive in return a reciprocal line of credit in rupees up to an amount equal to their commitment in the loan facility. What they pay for the credit line in rupees is a matter of private negotiation.

The Bank of Greece is borrowing $50 million for seven years using a formula that previously has proved successful — selling a one-year option to convert the loan into Deutsche marks. The margin on the dollar loan is ¾ point over Libor, but the sale of the currency option effectively reduces the borrowing charge for the Greeks to ¼ point over Libor.

Pakistan is in the market for $100 million and offering a margin of 1 point over Libor for five years. Despite the hefty margin and an equally hefty front-end fee of 1 percent, managers say the response from the market has been "cool."

House of Fraser, the British retailer, is arranging two facilities aimed at refinancing existing credits and extending the maturity. The new operations include a £250-million, five-year credit on which it will pay 25 basis points over the lenders' cost of funds for the first year, 30 basis points over for the following two years and 40 basis over during the final two years.

A constantly renewable £150-million revolving underwriting facility will permit the group to ask lenders to bid for short-term notes at a maximum cost of 20 basis points over the base rate.

Norwest Corp. is asking banks to underwrite a $100-million, five-year note issuance facility. Underwriters will be paid an annual fee of 10 basis points and agree to provide funds at a maximum cost of 12½ basis points over Libor. If banks are called on to provide more than half the total they will earn an additional fee of 10 basis points.

Black & Decker Corp. has appointed Morgan Guaranty and Credit Suisse First Boston to market up to $100 million of Euro commercial paper.

Skandia International Holding of Sweden has appointed Morgan Stanley to place up to $150 million of commercial paper either in this market or in New York.

— CARL GEWIRTZ

Increase in U.S. Air Fares Forecast

Demise of Frontier Seen Easing Pricing Pressures

By Robert E. Dallos

Los Angeles Times Service

NEW YORK — The recent demise of Frontier Airlines and the end of scheduled passenger service by World Airways Inc. are likely to result in higher fares for travelers, industry observers predict.

They say the competitive price pressure that both carriers helped to exert on the airline industry will decline or disappear. But while passengers will have to pay more, the airlines will get a badly needed increase in revenues and may record increased profits.

The impact of Frontier's filing under Chapter 11 of the U.S. Bankruptcy Code last week will be felt mostly on flights in and out of Denver. It is there that Frontier competed with United Airlines and Continental Airlines in the only U.S. city where three carriers operated major hubs.

"I don't think there is any question that fares will rise," said Lee Howard, vice president of Airline Economics Inc., a Washington consulting company. "You had a fierce fare war in Denver. It depressed fares there more than elsewhere in the nation."

But upward price pressure will not be confined to Denver, the analysts said.

"What you are going to see is a ripple effect throughout the industry," said Louis Marckesano, an analyst with Janney Montgomery Scott, a Philadelphia brokerage house. Frontier's collapse "should help everybody in the industry because it will stabilize fares."

World Airways, which undercut competitors both in the United States and on overseas flights, was a relatively small competitor. Nevertheless, by announcing Wednesday that it would end its passenger service on Sept. 15, it lessened competitive pressure from bigger airlines such as Pan American World Airways, Mr. Howard said.

Other competitors are likely to disappear. Eastern Air Lines Inc. and Texas Air Corp. are trying to merge; TWA and Ozark Air Lines will do so soon.

But United and Continental will continue to compete heavily in the Denver market, holding fares down, observers said. United now has about 60 percent of the Denver business, compared with Continental's 40 percent.

The biggest beneficiary of the death of Frontier, some observers said, will be Western Airlines,

The Associated Press

Employees comfort each other after hearing of Frontier's bankruptcy filing.

which operates a hub in Salt Lake City. Asked how much business Western has gained since Frontier ceased to operate Aug. 24, a spokesman said only that "we are carrying a good number of people who would have flown on Frontier." The two carriers served 38 common cities.

One thing is certain: The airlines need any fare increase they can get. The industry lost about $500 million in the first quarter of the year and had a minimal profit in the second quarter despite a sharp drop in the price of fuel — to 45 cents a gallon from 78 cents.

Not all fare increases will appear as such to the consumer because some will come in the form of greater restrictions on ticket purchases. On Thursday, Continental said it would cut fares by up to 29 percent to $99 on transcontinental flights and on flights to Hawaii between Oct. 27 and Dec. 31. But heavy restrictions require that passengers fly in midweek, make their reservations 30 days in advance and stay over a Saturday night. This makes the plan impractical for most business executives.

The airline also offered lowered fares for senior citizens and a frequent flyer program for college students. However, the overall result is expected to be increased revenue and higher profits, according to analysts.

American, United and Western all said they would match the new fares.

Judge Rejects Hunts' Call to Quit Case

By Thomas C. Hayes

New York Times Service

DALLAS — A U.S. judge has refused a call by the Hunt brothers to disqualify himself from their legal battles with 23 banks.

At stake is the question of whether Judge Barefoot Sanders, who has repeatedly ruled against motions by the Hunts, will influence which bankruptcy judge will oversee the reorganization of $2.2 billion in Hunt-owned assets.

The Hunts sought protection in federal bankruptcy court in New Orleans on Aug. 29 after Judge Sanders ruled that banks could proceed to foreclose on $100 million of collateral held by the Hunts that they used to secure $1.5 billion in overdue loans.

In a statement Friday, Judge Sanders termed the attack on him by the Hunts "specious" and said the theory behind it would lead to "chaos in the judicial system."

A spokesman for the Hunts said lawyers for the Hunts would either ask Judge Sanders to reconsider Friday's ruling, or appeal it to the U.S. Court of Appeals for the Fifth Circuit in New Orleans.

The Hunts have until Thursday to appeal a ruling by Judge Sanders that ordered them to transfer the bankruptcy filings for Placid Oil Co. and two other entities to the federal court in Dallas.

The Hunts' spokesman said lawyers for the three brothers, Nelson Bunker, W. Herbert and Lamar, met late Thursday but had not determined the timing of the appeal.

Lawyers for the Hunts have asserted that the brothers cannot obtain a fair hearing from Judge Sanders because he was a longtime Democrat, he owned stock in a Texas bank and because his former law firm was associated with one of the banks being sued by the Hunts.

The Hunts are seeking $14 billion in damages from their banks, which they accuse of misrepresentation and fraud in aborting negotiations to extend loan repayment terms, as well as conspiring to monopolize the offshore drilling industry.

Employment Report Depresses Prices

By Kenneth N. Gilpin

New York Times Service

NEW YORK — A U.S. government report on stronger-than-expected employment conditions during August has pushed down bond prices.

By late Friday, prices of most intermediate and long-term gov-

U.S. CREDIT MARKETS

ernment securities had dropped by a point or more. Market participants said that activity was brisk, with a marked increase in selling by institutional investors.

Earlier in the week, selling was primarily done by securities dealers and other speculators.

The Labor Department report was the latest indication that the pace of economic activity may be quickening.

"There has been a change in psychology about economic activity and the inflation outlook," said Richard M. Kelly, president of Aubrey G. Lanston & Co., primary government securities dealers.

"In recent months, the psychology has been one-sided. Economic activity was sluggish and would remain sluggish, and inflation was dormant and would remain dormant," he said. "That confidence was shaken last week, not only due to the employment report, but also because of strengthening commodity prices and reports of a sharp increase in consumer spending."

The government's bellwether 30-year, 7¼-percent issue was quoted Friday at 96⅝, down about 16 points, to yield 7.53 percent. Its five-year, 6½-percent notes fell by nearly ¾ point, to 98 15/32, to yield 6.82 percent.

Short-term interest rates also rose. Three-month bills were bid at 5¼ percent, up 4 basis points Friday. One-year bills were bid at 5.41 percent, up 5 basis points.

The new-issue market closed out its sleepiest week of the year with one offering Friday, as $100 million worth of five-year notes from Borg Warner Acceptance Corp. were priced. The notes, which mature on Sept. 15, 1991, carry a 7.5 percent coupon and were priced at 99.979 to yield 7.505 percent.

U.S. Consumer Rates
For Week Ended Sept. 5

Passbook Savings	5.50 %
Tax Exempt Bonds, Bond Buyer 20-Bond Index	7.00 %
Money Market Funds, Donoghue's 7-Day Average	5.68 %
Bank Money Market Accounts, Bank Rate Monitor Index	5.73 %
Home Mortgage, FHLB average	11.00 %

U.S. Threatens To Pull Out of New Trade Talks

By Paul Lewis

New York Times Service

LISBON — A senior official of the Reagan administration has said that the United States would pull out of global trade talks planned for this month unless other nations gave priority to freeing trade in two key areas for the U.S. economy.

The U.S. trade representative, Clayton K. Yeutter, said Saturday that the United States regards the two areas, agricultural goods and services such as banking and telecommunications, as "priority issues" for talks under the General Agreement on Tariffs and Trade, the world body that regulates commerce.

Trade ministers from more than 100 countries hope to begin such talks at a meeting in Punta del Este, Uruguay, starting Sept. 15.

But Mr. Yeutter said that if the agreement on beginning talks is "unsatisfactory in areas of major importance to us, then probably there won't be a new round at all or, if there is one, it will be conducted without the U.S."

Mr. Yeutter was speaking after two days of talks with Willy de Clercq, the EC commissioner, Patricia Carney, trade minister of Canada, and Hajime Tamura, trade minister of Japan. The talks were devoted to final preparations for the Punta del Este meeting.

Despite the U.S. threat, the meeting brought no discernible narrowing of differences over agricultural trade between the United States and the community.

Last month France, with support from Ireland, Greece and Denmark, blocked agreement on a draft agenda for the new GATT talks because it felt the text was overly hostile to the EC's protectionist farm policy.

On Saturday, Mr. de Clercq said that there are still differences on the treatment of farm trade.

The Reagan administration sees the GATT negotiations this year as essential to defeating a rise in protectionism, helping curb the U.S. trade deficit, expected to be around $200 billion this year, and heading off a global recession.

Mr. Yeutter refused to speculate on the consequences of a U.S. withdrawal. In the past, the Reagan administration has said it would seek bilateral agreements if it could not win agreement for a worldwide attack on protectionism.

Steel Agreement Reached

Mr. de Clercq said that an accord on exports of semifinished EC steel to the United States, held up since July, had been unblocked at the talks, Reuters reported from Lisbon. He did not give details.

Washington had blocked the accord, arguing it was linked with EC ratification of an agreement on U.S. citrus exports to the EC, which was held up by Italian objections.

GATT Warns Of Decline in World Trade

The Associated Press

GENEVA — World merchandise trade grew in volume by about 3 percent last year, but current trade policies invite a long-term economic decline, the General Agreement on Tariffs and Trade said in a report released Monday.

The GATT secretariat's annual review of world commerce forecast a 3.5-percent rise in trade volume this year.

But it warned against a continued widening of government measures against free trade, particularly subsidies, quotas and market-sharing agreements.

Further restrictions "would cripple efforts to deal with such pressing problems as servicing debts, creating jobs and promoting economic growth," it said.

"Even if current policies do not lead to open trade warfare," it said, "continuing down the road of managed trade and market sharing would invite a prolonged stagnation, or decline, in world trade through the cumulative effect of distorted competition on investment decisions and business confidence."

GATT is the world's main free-trade treaty and organization.

In value terms, merchandise trade grew 1 percent in 1985, less than the volume expansion because of the strong dollar, GATT said.

The study predicted an 8-percent rise this year because of the fall of the dollar.

Last year's volume figure was below the 9.5-percent expansion in 1984, a year of strong economic recovery.

Most developing countries showed "particularly disappointing" performances as the decline in the Third World's share of world trade quickened. The share has been falling since 1981.

Export earnings of developing countries dropped 5.5 percent, mainly because of falling prices for fuels and other commodities, the study said. Imports fell 6.5 percent.

Pressure for import restrictions was partly fueled by large trade imbalances between the world's three leading trading nations, the United States, West Germany and Japan, the report said.

G-5 Officials Prepare Policy For IMF Talks

Reuters

BONN — Deputy finance ministers from the five leading non-Communist industrial nations have met in Paris for talks to prepare for the International Monetary Fund annual meeting in Washington later this month, the West German Finance Ministry has confirmed.

A ministry spokesman said the main subject at the Paris meeting Friday was the international debt problem.

He said the session was a regular gathering of the deputy finance ministers of the Group of Five nations — West Germany, the United States, Britain, France and Japan.

In Paris, French government officials declined to comment on the meeting or confirm that it had been held.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States

	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1,899.75	1,898.34	+0.10 %
DJ Util.	213.71	219.15	—2.55 %
DJ Trans.	777.50	772.13	+0.70 %
S&P 100	n.a.	237.32	%
S&P 500	250.47	252.93	—0.98 %
S&P Ind.	277.21	278.14	—0.34 %
NYSE Co.	143.89	145.32	—0.99 %

Britain

	Last Wk.	Prev.Wk.	Ch'ge
FTSE 100	1,684.90	1,660.90	+1.45 %
FT 30	1,338.40	1,311.90	+2.02 %

Hong Kong

	Last Wk.	Prev.Wk.	Ch'ge
Hang Seng	1,968.53	1,913.00	+2.90 %

Japan

	Last Wk.	Prev.Wk.	Ch'ge
Nikkei 225	18,775.08	18,533.68	+1.30 %

West Germany

	Last Wk.	Prev.Wk.	Ch'ge
Commerzbk	2,114.80	2,095.80	+0.91 %

Source: James Capel & Co., London.

Money Rates

United States

	Last Wk.	Prev.Wk.
Discount rate	5½	5½
Federal funds rate	5⅝	5 11/16
Prime rate	7½	7½

Japan

	Last Wk.	Prev.Wk.
Discount	3½	3½
Call money	4 13/16	4½
60-day interbank	4⅝	4⅝

West Germany

	Last Wk.	Prev.Wk.
Lombard	5½	5½
Overnight	4.50	4.50
1-month interbank	4.50	4.60

Britain

	Last Wk.	Prev.Wk.
Bank base rate	10	10
Call money	10¼	10¼
3-month interbank	10	9 7/16

Dollar

	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl Index	n.a.	106.75	—%

Gold

	Last Wk.	Prev.Wk.	Ch'ge
London p.m. fix, $	420.80	384.70	+9.38 %

Currency Rates

Cross Rates — *Sept. 5*

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.29	3.441	112.815 *	34.415 *	0.1633 *	—	5.448 *	139.03 *	147.81 y
Brussels(a)	42.865	63.725	20.71	6.318	3.001 *	18.2585	—	25.547	27.125 *
Frankfurt	2.0315	3.05	—	30.505 *	1.449 x	88.645 *	4.828 *	123.36 *	1.3185 *
London (b)	1.496	—	3.061	10.0263	2,108.50	3.4488	63.30	2.4753	222.845
Milan	1,401.50	2,103.60	698.30	218.65	—	611.95	33.326	851.75	9.843
New York(c)	—	0.6693 #	2.0585	6.7175	1,415.00	2.314	42.465	1.671	155.70
Paris	6.458	9.996	3.278	—	4.7485 x	2.9050	15.828 *	4.040	4.2940 *
Tokyo	155.25	233.34	76.30	23.29	11.07 *	67.46	368.94 *	94.36	—
Zurich	1.6522	2.4747	80.97 *	24.72 *	0.1173 *	71.755 *	3.9131 *	—	1.065 *
1 ECU	1.0342	0.6896	2.1011	6.8858	1,450.37	2.3704	43.5199	1.6972	160.334
1 SDR	1.21404	0.80909	N.Q.	8.08284	1,780.52	2.7794	51.0486	1.9989	187.994

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (#) To buy one pound: $U.S.1.494

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	1.0365	Fin. markka	4.8745	Mex. peso	721.00	Soviet ruble	0.6754
Austral. $	1.634	Greek drac.	133.50	Norw. krone	7.287	Span. peseta	132.90
Austr. schill.	14.29	Hong Kong $	7.80	Phil. peso	20.537	Swed. krona	6.882
Belg. fin. fr.	42.42	Indian rupee	12.60	Port. escudo	143.30	Taiwan $	36.91
Brazil cruz.	13.77	Indo. rupiah	1,131.00	Saudi riyal	3.749	Thai baht	26.085
Canadian $	1.386	Irish £	0.738	Sing. $	2.161	Turkish lira	673.50
Chinese yuan	3.7036	Israeli shek.	1.4865	S. Afr. rand	2.281	UAE dirham	3.6725
Danish krone	7.71	Kuwaiti dinar	0.2918	S. Kor. won	878.50	Venez. boliv.	20.85
Egypt. pound	1.35	Malay. ringg.	2.6005				

£ Sterling: 1.114 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

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CABLE: TANHARCO

COMMONWEALTH OF THE BAHAMAS
IN THE SUPREME COURT
Equity Side

1982
No. 639

IN THE MATTER OF
BANCO AMBROSIANO OVERSEAS LIMITED
(IN LIQUIDATION)

AND

IN THE MATTER OF
THE COMPANIES ACT (CHAPTER 184)

NOTICE TO CREDITORS
OF INTENTION TO DECLARE DIVIDEND

Rule 68 of The Companies (Winding-Up) Rules, 1975.

TO: All Creditors who have not yet lodged their claims.

NOTICE is hereby given that a fifth dividend is intended to be declared in the above matter. You are mentioned as a Creditor in the Statement of Affairs, but have not yet proved your claim.

If you do not prove your claim by the 28th day of October, 1986, you will be excluded from this dividend.

DATED this 1st day of September, 1986.

GEORGE CLIFFORD CULMER
GEOFFREY ADAMS DINWIDDIE
JOHNSTONE
JOHN FORSYTH SMITH

Official Liquidators,
P.O. Box SS-6347,
Nassau, Bahamas.

International Bond Prices

(Continued)

[illegible]

FOREIGN TARGETED BONDS OF THE US TREASURY AND OF ITS AGENCIES

[illegible]

DM STRAIGHT BONDS

AUSTRALIA

[illegible]

AUSTRIA

[illegible]

BELGIUM

[illegible]

CANADA

[illegible]

CHINA

[illegible]

DENMARK

[illegible]

FINLAND

[illegible]

FRANCE

[illegible]

HIGHEST YIELDS

to Average Life Below 5 Years

$	15	Ward Foods O/s Capita	5¾	'88 Nov	80	17.44	19.40	7.19
$	30	Mexico	8¾	'91 Dec	84½	12.95	14.84	10.36
$	40	Mexico	8½	'87 Mar	97¾	13.41	12.51	8.72
$	25	South Africa	7¾	'87 Dec	94	13.06	13.46	8.24
$	125	Pemex Petroleos Mexic	11⅛	'88 Jul	97½	13.06	13.34	11.79
$	65	Eec Europ Econom Com	14⅝	'93 Apr	106½	13.17	12.35	13.85
$	50	Anglo American Corp	7½	'87 Mar	98	11.89	11.79	7.65
$	14	Reliance Transcontine	6¼	'88 Feb	93¼	11.30	11.47	6.68
$	40	Trailer Train Finance	12¼	'92 Nov	106	11.80	11.37	11.58
ff	100	Basf Transatlantica	7½	'87 May	91¼	22.24	22.43	8.19
nkr	150	Norges Hypotekforenin	10¾	'88 Apr	98½	11.34	12.35	10.70
£	15	Eib Europ Invest Bank	12	'91 Jul	102	11.42	11.36	11.76
cs$	60	Hudsons Bay	10½	'89 Apr	99	10.90	11.86	10.61
£	15	Whitbread Co	10½	'90 Apr	97¼	10.67	10.75	10.57

HIGHEST YIELDS

to Average Life Above 5 Years

$	50	Dome Petroleum	10	'94 Jul	87	12.49	13.27	11.49
$	50	Ingersoll-Rand Intl	13¾	'95 Oct	107½	11.85	11.46	12.23
$	75	Caisse Nat Autoroutes	15⅝	'97 Mar	117¾	12.47	11.32	13.33
$	100	Alaska Housing Fin Co	11¾	'94 Feb	104	10.91	10.98	11.30
$	75	Intl Standard Electri	12	'96 Mar	106½	10.85	10.47	11.27
$	40	Ottawa-Carleton	14⅝	'97 Jun	128⅛	11.24	9.80	11.54
$	50	Macmillan Bloedel	9⅛	'93 Mar	99	9.44	9.46	9.34
$	150	Quebec Province	12¾	'94 Feb	114⅛	9.46	9.30	10.72
$	42	Japan Airlines	10⅝	'93 Apr	108⅜	9.44	9.30	9.91
cs$	50	Canadian Utilities	17	'90 Dec	120	13.38	22.44	14.17
cs$	40	Royal Bank Of Canada	10	'94 May	99½	10.08	10.08	10.05
£	30	Indust Bank Japan Fin	11¼	'95 Dec	106¼	10.44	10.00	10.59
ecu	60	Giroz Bank Soarkassen	10½	'93 Dec	112¾	8.07	7.95	9.28
ecu	60	Industrial Bk Finland	9	'95 Oct	105½	8.12	7.85	8.53

HIGHEST CURRENT YIELDS

$	75	Pemex Petroleos Mexic	17½	'86 Nov	100⅝	13.12	17.41
$	175	Mexico	16¾	'97 Jul	107	17.07	17.39
$	60	Gulf States O/s Finan	17⅛	'88 Oct	102	14.35	17.14
$	75	Ohio Edison Finance	17⅝	'88 Oct	102¾	16.88	17.11
$	75	Genstar	17⅞	'89 Oct	105	14.35	17.07
$	50	Winnipeg City	17	'86 Oct	102	.48	16.67
$	75	Ohio Edison Finance	17¼	'87 Jul	105⅛	9.83	16.35
$	60	Reynolds Metals Europ	16½	'87 Mar	104	8.72	15.87
$	60	Gulf States O/s Finan	16	'90 Apr	102	15.34	15.69
cs$	50	Nacional Financiera	17⅝	'87 May	97	23.32	18.18
cs$	40	Hudsons Bay	18	'87 Nov	101	14.79	17.82
cs$	50	Quebec Province	18	'87 Oct	101⅛	15.51	17.80
cs$	100	Feder Business Dev Bk	17¾	'88 Oct	102⅝	5.70	17.68
cs$	40	Canadian Pacific	17¾	'87 Nov	102	15.87	17.40

[illegible]

GERMANY

[illegible]

HUNGARY

[illegible]

ICELAND

[illegible]

INDIA

[illegible]

IRELAND

[illegible]

ITALY

[illegible]

JAPAN

[illegible]

LUXEMBOURG

[illegible]

MEXICO

[illegible]

MISCELLANEOUS

[illegible]

NETHERLANDS

[illegible]

NEW ZEALAND

[illegible]

NORWAY

[illegible]

PORTUGAL

[illegible]

SOUTH AFRICA

[illegible]

SOUTH AMERICA

[illegible]

SPAIN

[illegible]

SUPRANATIONAL

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

UNITED KINGDOM

[illegible]

UNITED STATES AMERICA

[illegible]

EURO CURRENCY UNITS

ecu	120	All Nippon Airways	9	'95 Apr	105½	7.46		[illegible]
ecu	50	Austra New Zealand Bk	9¼	'92 Apr	109½	7.40		[illegible]

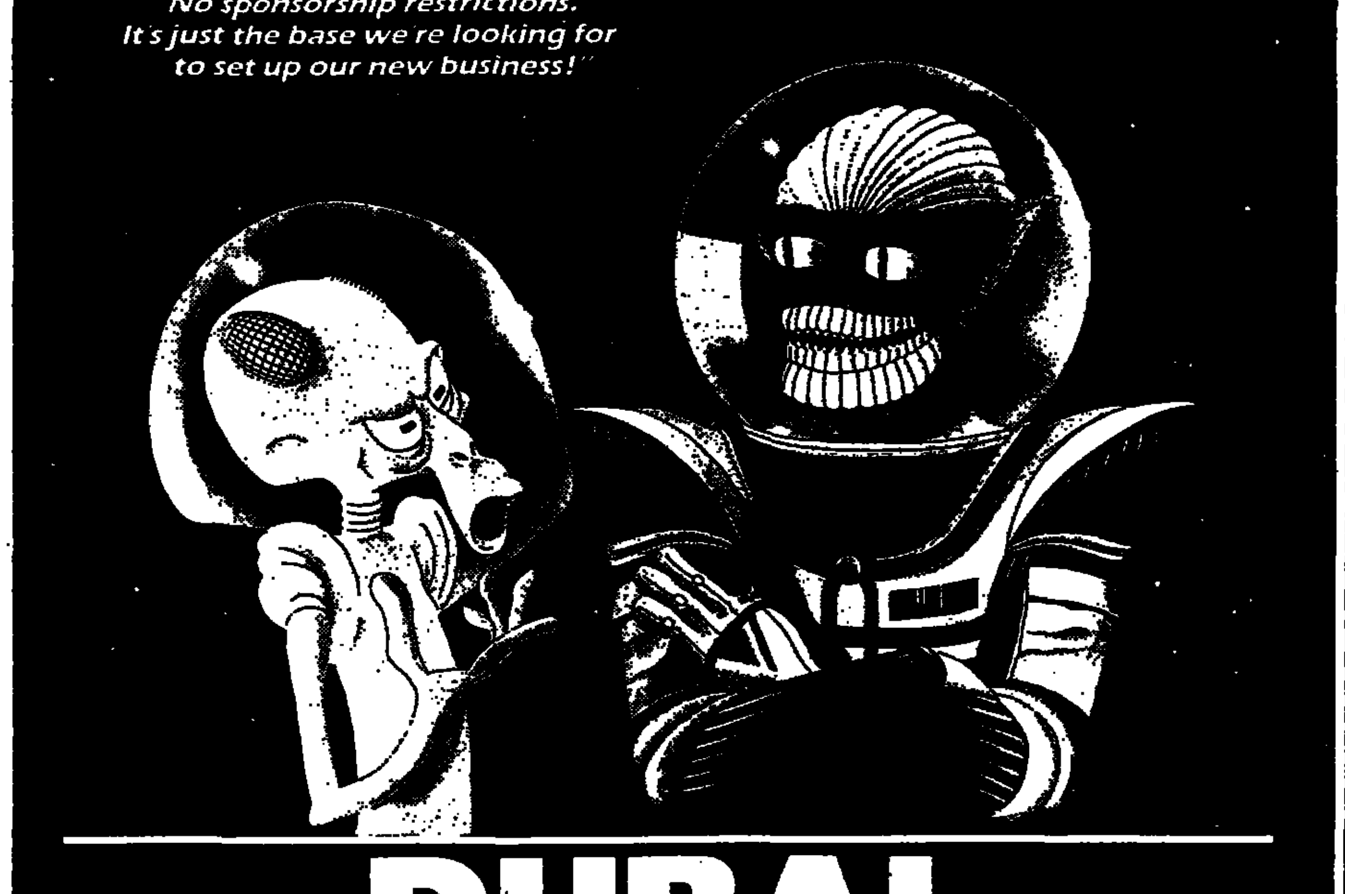
Continued on next left-hand page

ZERO-COUPON BONDS

Sept. 5

Security | Final Maturity | Original Offerings Amt Year Price | Offered Price

[illegible]



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Marketmakers in Deutschmark Bonds WestLB
Westdeutsche Landesbank

هكذا من الأصل

هكذا من الأصل

New Eurobond Issues

Compiled by Aimée Potter Hardoux from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Banco di Santo Spirito	$200	1993	limean	100	—	Coupon will be the 6-month Limean with no margin. Callable at par in 1989. Fees 0.34%. Denominations $10,000.
Manufacturers National	$60	1996	¼	100	—	Over 6-month Libor. Callable at par in 1991. Fees 0.80%. Denominations $10,000.
Paine Webber Group	$200	1993	⅜	100	99.20	Over 6-month Libor. Callable at par in 1990. $125 million issued now, and $75 million reserved for a one-year tap. Fees 0.50%. Denominations $10,000.
Rothschild Continuation Finance	$200	perpt	¾	100	—	Over 6-month Libor until 1988, ⅝ over until 1990, ½ over until 1991, ⅜ over until 1996, and ¼ over thereafter. Callable at par in 1991. Fees 0.50%. Denominations $10,000.
Santa Barbara S & L	$400	1996	1/16	100	99.74	Over 3-month Libor. Callable at par in 1989. $200 million issued now, and $200 million reserved for a one-year tap. Fees 0.20%. Denominations $100,000.
State Bank of Victoria	$125	perpt	1/16	100	—	Over 6-month Libor. Callable at par in 1991. Fees 0.40%. Denominations $10,000.
United Kingdom	$4,000	1996	⅛	100	—	Below 3-month Libid. Redeemable at 99.25 and callable at par in 1991. Fees 0.33%. Denominations $10,000.
Westpac Banking	$500	perpt	0.15	100	—	Over 6-month Libor. Callable at par in 1991. Fees 0.25%. Denominations $10,000.
Anglia Building Society	£150	1996	0.08	100	109.88	Over 3-month Libor. Noncallable. 50% due on subscription and balance in Dec. 1986. Fees 0.16%.
Halifax Building Society	£150	1996	0.08	100.05	99.87	Over 1-month Libor. Callable at par in 1991. Fees 0.25%.
Halifax Building Society	£150	1996	0.08	100.05	99.75	Over 6-month Libor. Callable at par in 1991. Fees 0.30%.
FIXED-COUPON						
Chrysler Financial	$125	1991	8	101½	98.75	Noncallable. Fees 1⅝%.
Denmark	$120	1996	7¼	101⅜	—	Noncallable. 21⅛% due on subscription and balance in March 1987 in dollars or in yen at a fixed exchange rate of 156.10 per dollar. Fees 2%.
Flags	$250	1991	7	100¾	98.00	Noncallable. Collateralized by United Kingdom's new ten-year frn. Fees 1⅜%.
Heinz (H.J.)	$75	1996	7½	100	97.25	Noncallable. Also 75,000 four-year warrants, priced at $16 each, exercisable into a similar bond. Fees 2%.
Metlife Funding	$150	1996	7¾	101	96.75	Noncallable. Fees 2%.
Mitsubishi Corporate Finance	$90	1991	11	112⅜	—	Redeemable at 92.40 in 1991. Fees 1⅝%. Denominations $100,000.
North American Philips	$100	1993	8	100⅞	97.50	Noncallable. Fees 1⅞%.
PK Banken	$92	1993	10	115¼	—	Noncallable. Fees 1⅝%.
WestLB Finance	$150	1993	9¾	114¼	112.38	Noncallable. Fees 1⅝%. Denominations $10,000.
Australia	*DM200*	*1991*	*5¼*	*100*	*98.75*	*Noncallable private placement.*
Cathay Pacific Finance	DM250	2001	6½	100	98.00	Callable at par in 1992. Sinking fund to start in 1991. Fees 2½%.
Commerzbank Overseas Finance	DM300	1993	5¾	100	97.50	Noncallable. Fees 2¼%.
European Investment Bank	DM200	2016	6	100	98.25	Noncallable. Fees 2%.
Australian Industry Development Corp.	FF600	1993	7⅞	100	98.25	Noncallable. Fees 1⅞%.
Denmark	FF250	1991	4½	100	99.75	Noncallable. Redemption amount at maturity will be linked to the performance of the CAC Paris stocks index, will increase if index climbs and decrease if index falls. Fees 1⅞%.
Denmark	FF250	1991	4½	100	98.50	Noncallable. Redemption amount at maturity will be linked to the performance of the CAC Paris stocks index, will increase if index falls and decrease if index climbs. Fees 1⅞%.
Danish Finance Institute for Industry	ECU50	1991	8	102⅜	101.13	Noncallable. Fees 1⅞%.
Caisse Centrale des Jardins du Quebec	C$75	1991	10	101¾	—	Noncallable.
Canada Trustco Mortgage	C$100	1992	9¾	101	—	Noncallable. Fees 1⅞%.
Eastman Kodak Credit	Aus.$50	1989	14⅛	100	—	Noncallable. Fees 1½%.
Landesbank Stuttgart (London)	Aus.$30	1991	14	101	99.00	Noncallable. Fees 2%.
Banque Nationale de Paris	Y30,000	1991	8½	113⅜	—	Noncallable. Fees 1⅞%.
Denmark	Y20,000	1992	8½	117¼	—	Noncallable. Fees 1⅞%.
Kansallis Osake Pankki	Y15,000	1993	8½	118	—	Noncallable. Fees 1⅞%.
Mitsui	Y25,000	1991	8½	133⅜	104.00	Noncallable. Fees 1⅞%.
Security Pacific National Bank	Y20,000	1991	8½	114¼	—	Noncallable. Fees 1⅞%.
Security Pacific National Bank	Y20,000	1993	8½	118	—	Noncallable. Fees 1⅞%.
EQUITY-LINKED						
Bank of Yokohama	$100	2001	open	100	101.50	Semiannual coupon indicated at 2⅝%. Convertible at an expected 5% premium. Fees 2½%. Terms to be set Sept. 10.
Fukuyama Transporting	$100	1991	open	100	97.75	Coupon indicated at 3⅝%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Terms to be set Sept. 9. Fees 2¼%.
Joshin Denki	$80	1991	3⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into 430 company shares at 1,815 yen per share and at 156.25 yen per dollar. Fees 2¼%.
Kansai Paint	$40	1991	3⅛	100	97.63	Noncallable. Each $5,000 note with one warrant exercisable into 1,942 company shares at 402 yen per share and at 156.15 yen per dollar. Fees 2¼%.
Koyo Seiko	$70	1991	open	100	98.00	Coupon indicated at 3⅝%. Noncallable. Each $5,000 note with one warrant exercisable into company shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 10.
Mafina	$100	1996	4	100	103.50	Noncallable. Each $1,000 note with six five year warrants exercisable into a total of six Petrofina shares at 9,110 Belgian francs each, a 1.80% premium. Fees 2½%.
Nippondenso	$100	1991	2⅞	100	101	Noncallable. Each $5,000 note with one warrant exercisable into company shares at 1,415 yen per share, and at 155.40 yen per dollar. Fees 2¼%.
Nippon Meat Packers	$60	1991	open	100	99.00	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 9.
Nippon Zeon	$60	1991	3⅛	100	97.50	Noncallable. Each $5,000 note with one warrant exercisable into company shares at 490 yen per share and at 156.15 yen per dollar. Fees 2¼%.
Nomura Securities	$200	1991	open	100	114	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 11. $135 million issued in Europe and $65 million in Asia.
Mitsui Trust & Banking	$100	2001	open	100	104	Semiannual coupon indicated at 2⅝%. Convertible at an expected 5% premium. Fees 2½%. Terms to be set Sept. 9.
Shimadzu	$100	1991	open	100	97.75	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 8.
Sonoike Manufacturing	$60	1991	open	100	96.25	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 9.
Tsurumi Manufacturing	$20	1991	open	100	—	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 8.
Mafina	DM250	1993	2	100	103.75	Noncallable. Each DM5,000 note with two five-year warrants exercisable into a total of 12 Petrofina shares at 9,110 Belgian francs each, a 1.60% premium. Fees 2¼%.
SBC Finance	Y20,000	1993	2	100	103.50	Noncallable. Each 1-million yen note with 21 six-year warrants exercisable into company's bearer participation certificates at 490 Swiss francs, a 2.10% premium. Fees 2½%.
WARRANTS						
BHF Finance	0.10	1988	—	DM25	—	Warrants exercisable at par into banks 6% bond due 1993.
Citicorp	0.10	1988	—	$19	—	Warrants exercisable at par into bank's 8% bonds due 1996, callable in 1993.
Salomon Brothers	0.10	1987	—	$19	—	Warrants to buy 7⅜% U.S. Treasury Bond due 1996.

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WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

AMSTERDAM — The ANP-CBS general share index last week broke through the 300 mark for the first time, despite less than exuberant activity.

Total turnover came to 4.842 billion guilders, against 6.012 billion the previous week.

On Thursday, the index gained 2.2 points to 300.1, bettering the old record of 299.6 on Aug. 21. It rose again on Friday, by 0.9 points to 301.0. Royal Dutch/Shell Group was the market leader, reaching new highs.

Stockbrokers Kempen & Co. said the short-term investment climate will be positively influenced by the government budget to be presented Sept. 16.

Frankfurt

FRANKFURT — The stock exchange was well supported last week, with the Commerzbank index rising 19 points over the previous week to 2,114.8.

Among the best performers was Volkswagen, which announced an issue of 6 million preferential shares, with a total nominal value of 300 million Deutsche marks, at 350 DM per share.

Volkswagen issues advanced 36.20 DM to 549, Daimler-Benz gained 4 DM to 1,326, while BMW gave up 15.50 marks.

Hong Kong

HONG KONG — The Hang Seng Index gained more than 55 points last week, finishing at a record of 1,968.53.

The Hong Kong Index was also up, finishing almost 40 points higher than the previous week at 1,239.01. Average daily turnover reached 514.94 million Hong Kong dollars.

Moderate buying Wednesday and Thursday was followed by a strong performance Friday. Analysts said investors had decided the market was ready to move up after consolidating the previous week.

Dealers agreed that the Hang Seng was unlikely to break the 2,000-point barrier soon.

London

LONDON — Paying little attention to a gloomy survey from the Confederation of British Industry, shares were lifted on the stock exchange by the strong performance of mining issues and good interim profits from the shipping company Peninsular & Oriental and from Cadbury Schweppes.

The Financial Times industrial share index closed up 26.5 points for the week, at 1,338.4. The volume of transactions rose to 110,765, against 81,596.

Gold and platinum mines were exceptionally strong in response to the continuing advance in precious metal prices.

The latest reports in the property sector suggested that MEPC may be planning a £100-million rights issue to finance acquisitions.

Brokers are looking forward this week to bumper results from several blue chips and a Trustee Savings Bank flotation.

Milan

MILAN — Prices on the bourse dropped more than 3 percent last week, with a sharp 2.67-percent decline Friday.

The Comit index closed the week at 791.50 points, against 817.10 at the end of the previous week.

About 180 million shares changed hands, against 195 million a week earlier, while the value of shares traded reached 1.1 trillion lire, against 1.09 trillion.

Montedison, the chemicals group, despite good midterm results and the announcement of a rights issue, continued to suffer from delays in settling its takeover of the Swedish group Fermenta. It lost 5.77 percent over the week.

The bourse should brighten up this week, because of the government's recent consensus on a finance law and several announced capital issues, analysts said. But much will depend on developments in the Mediterranean, given the increase in U.S.-Libyan tension, which is sharply felt here, they said.

Paris

PARIS — Trading on the bourse, after a record-setting performance on Monday when the CAC index soared to 412.5 points, turned calm under the influence of surging gold prices.

Gold shot up to $416 in Paris on Friday, in response to tension caused by the seizure of a Pan American jet in Karachi, and the index finished at 411.4. Traders said anxieties over the situation in South Africa and fears of a spurt in inflation induced many investors to seek refuge in gold.

But financial experts warned that the metal's attractiveness may be transient, arguing that a new round of inflation is not yet on the horizon.

Singapore

SINGAPORE — Continuing bullish sentiment was given a fillip last week with two holidays in Malaysia and greater interest by foreign institutions.

A daily trading record of 46.84 million units, worth 96.74 million Singapore dollars, was set Tuesday. Average daily turnover rose to 31.73 million units, from 27.83 million units a week earlier.

The Straits Times Industrial index closed at 844.88 points, up from 838.48 a week earlier.

Dealers said Singapore shares unloaded by profit-takers and cash-strapped major shareholders were picked up by foreign institutions.

The profit-taking trend served to prevent overheating of the market and is not expected to dampen the bull run of the past few weeks, dealers said.

Tokyo

TOKYO — Share prices bounced back after a shaky start last week, on buying of large-capital issues by institutional investors.

The 225-stock Nikkei Stock Average gained 241.40 yen to close at 18,775.08 yen on Friday, while the broader-based Tokyo Stock Exchange Index put on 15.27 points to 1,542.00.

Trading was generally active, with daily turnover averaging 1.011 billion shares, compared with 1.228 billion shares the previous week.

Dealers agreed that there would be wild fluctuation of prices in the weeks to come, around a basic upward trend.

Zurich

ZURICH — The SBS index rose to 663.9 last Friday from 648.8 a week earlier in active trading that analysts said would be maintained this week. They said that this year's record level of 673.4, reached last May, should be broken this week.

EUROBONDS: *Signals Conflict*

(Continued from first finance page)

over in the fifth year, ⅜ over for the next five years and ¼ point over Libor starting in the 11th year.

In vogue with the uncertainty about interest and exchange rates, Salomon Brothers offered a novel warrant designed to appeal to speculators betting on a rise in the value of the Deutsche mark and declining interest rates (resulting in rising bond prices) in the United States. Holders of this paper would gain if either the price of the bond or the mark rose. A rise of one could offset a decline of the other still leaving holders with a profit.

On sale are 100,000 six-month warrants to buy the U.S. Treasury's 7⅜-percent bond due in 1996. The exercise price to buy a $1,000 bond is linked to an index that is arrived at by dividing the price of the bond by the spot exchange rate.

At expiry, holders of the warrant can buy the bonds at the prevailing market price less any excess value of the index over 55. If the index is 56 and the price of the bond par, the cost to buy the bonds would be 99.

Unfortunately for Salomon Brothers, Friday saw a decline in the price of the bond and a decline of the mark against the dollar. The index, which was at 49.35 at the offering, fell to 49 and Salomon dropped the price on the warrant from $20 to $19.

The fixed-coupon sector of the Eurodollar market was in a shambles, with new issues trading at substantial discounts from the offering price. Metlife Funding, a finance vehicle of Metropolitan Life, the second largest U.S. life insurance company, ended the week down 4¼ points. Its $150 million of 7¾-percent, 10-year bonds was offered at 101. Discounting fees of 2 percent paid to underwriters, the issuer was paying 85 basis points over the yield on Treasury bonds, but ended the week yielding 95 basis points over the Treasury curve.

Another disaster was North American Philips, which set an 8-percent coupon on its $100 million of seven-year paper offered at 100⅞. Less the fees of 1⅞ percent, this paper was priced to yield 135 basis points over the Treasury curve, but ended the week at 139 over with the price down 3⅜ points.

PK Banken set a coupon of 10 percent and an issue price of 115¼ on its $92 million of seven-year paper and WestLB a price of 114¼ on its 9¾-percent, seven-year bonds. Likewise, two Canadian dollar issues were targeted for the Japanese.

In the Euroyen sector, Security Pacific offered two issues each of 20 billion yen carrying coupons of 8½ percent. Its five-year notes were priced at 114¼ and seven-year bonds at 118. Banque Nationale de Paris set a price of 113⅜ on 30 billion yen of five-year notes bearing a coupon of 8½ percent, while Kansallis Osake Pankki of Finland priced its 15 billion yen of seven-year, 8½-percent bonds at 118. All the issuers swapped the proceeds into floating-rate dollars.

The flood of equity-linked issues was well received. Nomura's $200 million of five-year notes traded at 114, raising questions about whether it would cut the coupon from the indicated 3⅛ percent, a level it is trying to convince its customers is needed in this market.

Simultaneous issues by Mafina in dollars and DM, which carry warrants to buy stock of Petrofina, traded at a premium after a rise in the stock price, as did Swiss Bank Corp.'s warrant bond in yen.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Bitter Corp.	3⅞	4⅞
GoodMark Foods	12¼	12⅝
MAG Holdings	3⅝	4⅛
Modulaire	8½	9
Mr Gasket	*6¼*	*6⅝*

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These prices are as of Sept. 4, 1986

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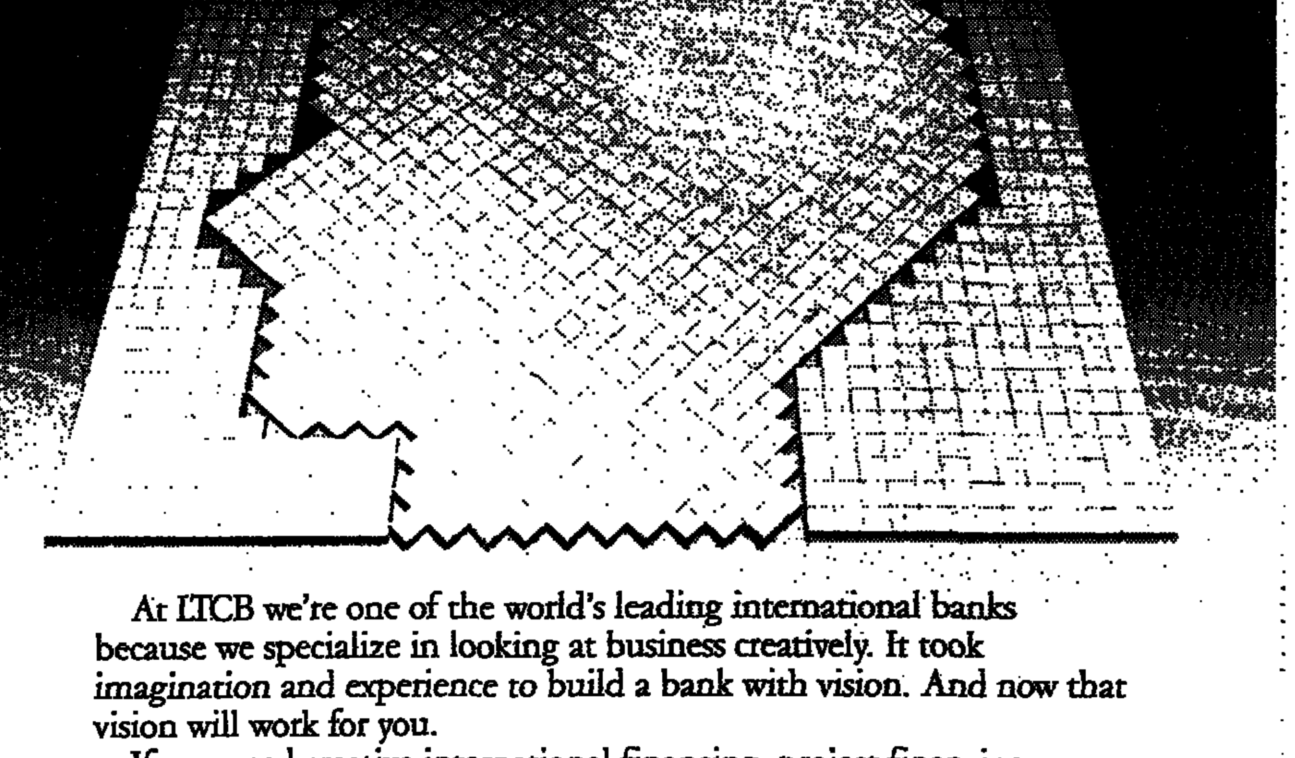

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International Bond Prices

(Continued)

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
ecu 100	Austria	10¾	'93 Jan	115¾	7.76		9.21
ecu 57	Bacob Finance	7¼	'93 May	96	8.03		7.55
ecu 100	Banco Di Roma	8¾	'93 Jun	102¼	7.80		8.07
ecu 50	Bank Mees & Hope	9	'92 Jul	106	7.68		8.49
ecu 40	Bank Of Tokyo Curacao	9½	'90 Jun	107¾	4.70		8.46
ecu 100	Banque Franc Com Ext	9¾	'93 Jun	118¾	7.24		8.83
ecu 150	Banque Franc Com Ext	8¾	'92 Oct	107¾	7.21		8.13
ecu 75	Banque Franc Com Ext	9¾	'95 Jan	118¼	8.89		8.34
ecu 100	Banque National Paris	7¼	'93 Jul	100¾	7.00		7.20
ecu 75	Banque National Paris	8¾	'95 Aug	107¼	7.65		8.26
ecu 60	Bayerische Vereinsbk	8¾	'88 Nov	103	6.85		8.13
ecu 75	Caisse Nat Telecomm	9¾	'92 Apr	110¾	7.28		8.82
ecu 75	Caisse Nat Telecomm	9¾	'92 Apr	110¾	7.12		8.94
ecu 75	Caisse Nat Telecomm	8¾	'95 Nov	105¾	7.81		8.31
ecu 50	Cariplo Inc	10	'91 Jul	104¾	8.78		9.56
ecu 40	Chrysler Financial Co	9	'92 Nov	101¾	8.85		8.94
ecu 75	Chrysler Financial Co	10¾	'93 Apr	109	8.59		9.29
ecu 75	Chrysler Financial Co	9¼	'94 Mar	103¾	8.56		8.93
ecu 56	Chrysler Financial Co	7	'93 Nov	95¼	7.88		7.35
ecu 50	Citicorp	9	'88 Oct	103¾	7.21		8.71
ecu 50	Club Mediterranee	8	'91 Mar	103¾	7.02		7.72
ecu 55	Colgate Palmolive Co	9¾	'92 Nov	106	7.86		8.61
ecu 70	Carno Machines Bull	9	'95 Dec	105¾	8.14		8.54
ecu 40	Copenhagen City	9¼	'95 Sep	105¾	7.98		8.83
ecu 85	Credit Commerc France	9¾	'91 Jun	109¼	7.37		8.92
ecu 40	Credit Du Nord	11½	'96 Aug	109¾	9.61		10.17
ecu 70	Credit Foncier France	6¾	'92 Mar	95¼	7.38		6.68
ecu 175	Credit Lyonnais	10¾	'94 Dec	114¾	7.88		9.04
ecu 50	Credit National	8¾	'94 Dec	107¾	7.67		8.28
ecu 67	Creditanstalt-Bankver	9¾	'92 May	108	8.06		9.14
ecu 78	Credito Italiano	7¾	'96 Apr	100¾	7.50		7.57
ecu 250	Denmark	9¼	'93 Oct	108	7.63		8.45
ecu 78	Dresdner Finance	10¾	'89 Sep	109¾	7.89		9.79
ecu 40	Eca Euro Coal & Steel	8¾	'92 Nov	108	7.40		8.22
ecu 100	Eec Europ Econom Com	7¾	'94 Jul	101¼	7.15		7.28
ecu 75	Eec Europ Econom Com	10¾	'90 Oct	110¾	7.56		9.78
ecu 50	Eib Europ Invest Bank	8¾	'90 Dec	105¾	7.09		8.18
ecu 40	Eib Europ Invest Bank	11¼	'92 Jan	111¼	8.57		10.00
ecu 75	Eib Europ Invest Bank	8¾	'92 Dec	106	7.51		8.25
ecu 60	Eib Europ Invest Bank	8¾	'93 Mar	108	7.04		7.99
ecu 180	Eib Europ Invest Bank	10¾	'94 Jan	115	7.39		8.80
ecu 130	Eib Europ Invest Bank	10¾	'94 Mar	112	8.39		9.49
ecu 55	Eib Europ Invest Bank	9¼	'95 Apr	114¾	7.37		8.50
ecu 200	Eib Europ Invest Bank	6½	'98 May	94¾	7.17	7.50	6.86
ecu 150	Electricite France	9	'97 Aug	109¾	7.65		8.28
ecu 200	Electricite France	7¼	'98 Aug	97¼	7.48		7.33
ecu 30	Enso-Gutzeit	9	'91 Oct	104¾	7.83		8.59
ecu 30	Enso-Gutzeit	9¼	'93 Oct	104¾	8.19		8.70
ecu 30	Eurofima	9	'93 May	105¾	8.21		8.87
ecu 30	Eutelsat	9	'93 Jan	105½	7.90	7.52	8.55
ecu 100	Export Develop Corp	6¾	'96 Feb	95	7.11		6.71
ecu 55	Fiat Finance & Trade	8¾	'90 Feb	104¾	7.18	6.91	8.36
ecu 45	Ford Credit Canada	8¾	'93 Oct	106¼	7.70		8.25
ecu 55	Gillette Company	7½	'93 Jul	102¾	7.02		7.22
ecu 75	Giroz Bank Sparkassen	7	'93 Oct	97¾	7.53		7.21
ecu 60	Giroz Bank Sparkassen	10½	'93 Dec	112¾	8.07	7.95	9.30
ecu 150	Ibm World Trade	8¾	'98 Aug	107¾	5.97		7.66
ecu 60	Industrial Bk Finland	9	'95 Oct	105¾	8.12	7.95	8.53
ecu 200	Inter-American Dev Bk	10	'93 Apr	117¾	7.39		8.84
ecu 200	Ireland	7¾	'96 May	99¾	8.07		7.68
ecu 200	Italy	9¼	'89 Apr	105¾	6.95		8.88
ecu 50	Kansallis-Osake-Pankk	9¾	'92 Sep	107¾	7.77		8.72
ecu 75	Kb Hima	9¾	'92 Feb	107¾	7.48		8.74
ecu 35	Kredietbank (lux) Sa	6¾	'95 Sep	95¾	7.45		7.09
ecu 75	Mesal Finance	10¾	'95 Apr	108¾	8.67		9.53
ecu 60	Mitsui Trust Fin (hk)	8¾	'93 Nov	106½	7.66		8.33
ecu 50	Moet Hennessy	9	'91 Mar	107¾	7.02		8.38
ecu 100	Morgan Guaranty Trust	8½	'90 Sep	105¾	6.99		8.09
ecu 50	Motorola Inc	9¾	'92 Jul	106¾	7.19		8.09
ecu 60	New South Wales Treas	8¾	'93 Mar	106½	7.56		8.33
ecu 100	New Zealand	9¼	'90 Jun	106¾	7.13		8.67
ecu 100	New Zealand	9½	'92 Jun	108¼	7.66		8.78
ecu 100	Nissan Motor Co	7½	'96 Jul	98¾	7.68		7.59
ecu 65	Oster Landerbank X/w	9	'89 May	104¾	7.03		8.60
ecu 100	Pargesa Bank Corp W/w	4	'96 Jul	110¾	2.75		3.61
ecu 75	Petrocorp O/s Finance	9	'93 Nov	102¼	8.56		8.80
ecu 50	Peugeot	9¼	'90 Dec	106¼	7.46		8.71
ecu 100	Phibro-Salomon	8½	'96 Feb	103¾	7.89		8.18
ecu 75	Philips Intl Finance	9	'93 May	105¾	7.98		8.53
ecu 50	Primary Industry Bank	9¾	'92 Apr	108¾	7.74		8.97
ecu 75	Privatbanken	10	'92 May	108¾	8.14		9.25
ecu 75	Rabobank Nederland	9¾	'95 May	109½	8.85		8.79
ecu 75	Rabobank Nederland	7½	'96 May	100¾	7.36		7.43
ecu 40	Rea Auto Transp Paris	10¾	'92 Apr	107¾	9.16	8.89	10.15
ecu 125	Reynolds Rj Industrie	8¾	'91 Sep	105¾	7.31		8.19
ecu 40	Sanwa Intl Finance Hk	9	'95 Aug	106½	7.96	7.87	8.45
ecu 100	Scandinavian Airlines	9	'95 Aug	106¾	7.99		8.47
ecu 100	Sec Pacific Australia	8¾	'98 Jul	104¾	7.27		8.35
ecu 45	Sncf Nat Chemins Fer	11¼	'94 May	119¾	7.76		9.40
ecu 52	Sumitomo Corporation	8¾	'92 Nov	106¾	7.35		8.20
ecu 60	Sumitomo Corporation	9¼	'93 Oct	107¾	7.55		8.48
ecu 75	Sumitomo Finance Asia	9	'92 Nov	108¾	7.45		8.30
ecu 200	Sweden	6½	'96 May	96½	7.00		6.74
ecu 78	Union Bank Norway	9	'95 Sep	106¾	7.91		8.42
ecu 75	Victoria Public Autho	8¾	'90 Dec	105¾	7.21		8.28
ecu 62	Walt Disney Productio	8¾	'94 Feb	106¾	7.61	7.45	8.24
ecu 80	Walt Disney Productio	9¾	'95 Mar	108¾	7.66	7.34	8.28
ecu 50	Westpac Banking Co	9¾	'92 Nov	109¾	7.48		8.87
ecu 125	World Bank	10¾	'89 Nov	109½	6.88		9.36
ecu 60	World Bank	9¾	'92 Apr	111	7.06		8.56
ecu 125	World Bank	8¾	'93 Sep	107½	7.22		8.07
ecu 50	World Bank	11	'93 Nov	118¾	8.90		9.93
ecu 75	World Bank	10¾	'94 Nov	112¾	8.42		9.43
ecu 250	World Bank	8½	'95 Oct	108¾	7.14		7.81

CANADIAN DOLLARS

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
cn$ 50	American Express O/s	10¾	'90 Jun	104¾	9.17		10.26
cn$ 75	Banque Indosuez	14	'91 Aug	112¾	10.59		12.44
cn$ 60	Banque National Paris	12	'93 Jun	110	9.88		10.91
cn$ 24	Brit Columbia Municip	10¾	'89 May	100¾	10.16		10.20
cn$ 125	Brit Columbia Provinc	12	'98 Apr	106¾	9.78		11.25
cn$ 150	Brit Columbia Provinc	13½	'91 Jul	112¾	10.02		11.97
cn$ 100	Brit Columbia Provinc	12¾	'91 Nov	118	9.78		11.14
cn$ 125	Brit Columbia Provinc	12	'93 Dec	110¾	9.86		10.85
cn$ 50	Brit Columbia Telesba	17¾	'88 Sep	107½	12.75		16.05
cn$ 75	Brit Columbia Telepho	12¾	'89 Feb	104½	10.02		11.72
cn$ 50	Canadian Imperial Bk	14½	'87 Jun	104¾	9.71		15.79
cn$ 60	Canadian Imperial Bk	12¾	'89 May	105	10.47		12.14
cn$ 60	Canadian Natl Railway	8¾	'87 Mar	99¾	9.74		8.92
cn$ 100	Canadian Natl Railway	11¾	'93 Jun	106¾	9.91		10.64
cn$ 100	Canadian Natl Railway	9¾	'94 Mar	104	9.18		9.50
cn$ 100	Canadian Natl Railway	12½	'95 Apr	111	10.47		11.26
cn$ 60	Canadian Occid Petrol	12¾	'99 Mar	104½	11.65		11.84
cn$ 40	Canadian Pacific	17¾	'87 Nov	102	15.59		17.40
cn$ 50	Canadian Pacific	16¾	'89 Apr	104	14.31		15.75
cn$ 75	Canadian Pacific	11¾	'98 May	103¾	10.51		11.43
cn$ 35	Canadian Utilities	17	'87 Aug	107	8.93		15.89
cn$ 50	Canadian Utilities	17	'96 Dec	120	12.28	12.46	14.17
cn$ 50	Chrysler Credit Can	14	'91 Oct	108¾	11.78		12.95
cn$ 60	Chrysler Credit Can	12¾	'92 May	108¾	10.58		11.65
cn$ 30	Credit Fonc Franc-Can	17¾	'89 Apr	114½	10.50		14.94
cn$ 100	Denmark	13	'89 Oct	108¾	9.81		12.02
cn$ 80	Eib Europ Invest Bank	12¾	'91 Dec	107¾	9.64		11.85

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
cn$ 50	Farm Credit Corp	12¾	'92 Mar	111¾	9.48		10.89
cn$ 100	Feder Business Dev Bk	17¾	'86 Oct	101¼	5.70		17.44
cn$ 20	Ford Motor Credit Can	8¾	'87 May	98¾	10.56		8.86
cn$ 20	Gaz Metropolitain	17¾	'90 Oct	122	10.38		14.14
cn$ 40	Gaz Metropolitain	14½	'92 Dec	114	10.81		12.59
cn$ 50	Gaz Metropolitain	13½	'96 Oct	116	10.67		11.64
cn$ 50	General Motors Accept	9¼	'88 Oct	99	10.27	10.28	9.85
cn$ 50	General Motors Accept	16¾	'89 Feb	105¾	13.56		15.58
cn$ 75	Genstar Financial Co	11¼	'95 Jun	107¼	10.35		10.90
cn$ 60	Hudsons Bay	18	'87 Nov	101	16.79		17.82
cn$ 60	Hudsons Bay	10½	'89 Apr	99	10.90	11.00	10.61
cn$ 50	Hudsons Bay	14¾	'89 Jul	109¼	10.32		13.04
cn$ 85	Industrial Bank Japan	12	'91 Dec	108	9.95		11.11
cn$ 50	Interprovin Pipe Line	17¾	'93 May	108¾	10.34		11.26
cn$ 75	Kreditbank Iflmo	12	'92 Jan	107¾	10.18		11.16
cn$ 30	Laval City	14¾	'91 Sep	115	10.37		12.50
cn$ 35	Loblaw	12¾	'90 Dec	106	10.64		11.79
cn$ 40	Montreal City	18	'89 Jun	100¾	9.75		9.95
cn$ 50	Montreal City	12	'90 Dec	106¾	9.91		11.23
cn$ 50	Montreal City	12¾	'91 May	108¾	9.79		11.26
cn$ 60	Montreal City	12¾	'91 Nov	109	9.94		11.34
cn$ 60	Montreal City	11	'96 Jun	106¾	9.84		10.38
cn$ 50	Nacional Financiera	17¾	'87 Mar	97	23.12		18.30
cn$ 30	Nation Realty Corp	12½	'90 Feb	105¾	10.38		11.82
cn$ 50	National Bank Canada	16½	'88 Feb	108¼	9.83		15.24
cn$ 75	New Brunswick Provinc	17	'93 Jan	112¾	9.77		10.69
cn$ 75	New Brunswick Provinc	11¾	'95 Jun	108¾	9.75		10.51
cn$ 40	Norcen Energy Res	12¾	'93 Aug	106¾	11.29		11.96
cn$ 18	Nova Scotia Power	9¾	'94 Jul	97¾	9.96		9.74
cn$ 100	Nova Scotia Province	11¾	'95 Feb	110¾	9.77		10.56
cn$ 65	Pancanadian Petroleum	16¾	'88 Dec	103	14.73		16.02
cn$ 50	Pancanadian Petroleum	12¾	'92 Apr	107¾	10.84		11.64
cn$ 25	Quebec City	16¾	'87 Feb	103	8.94		16.02
cn$ 75	Quebec Hydro	14	'91 Jul	110¾	11.13		12.70
cn$ 40	Quebec Hydro	14	'92 Nov	110¾	11.56		12.78
cn$ 58	Quebec Hydro	12¾	'95 Sep	111¾	10.28		11.45
cn$ 100	Quebec Hydro-Electric	12¾	'95 May	110¾	10.27		11.05
cn$ 50	Quebec Province	18	'87 Oct	102¾	15.57		17.60
cn$ 50	Quebec Province	17¾	'87 Nov	102¾	14.65		17.03
cn$ 50	Quebec Province	16¾	'89 Apr	105¾	12.74		15.64
cn$ 50	Quebec Province	12	'93 Jul	109¾	10.05		10.96
cn$ 150	Quebec Province	12	'95 Jan	112¾	9.77		10.67
cn$ 35	Royal Bank Of Canada	9¾	'88 Apr	99	10.14	10.22	9.85
cn$ 40	Royal Bank Of Canada	9	'92 Feb	98	9.48	9.52	9.18
cn$ 40	Royal Bank Of Canada	10	'94 May	99½	10.08	10.08	10.05
cn$ 40	Royoat	17¾	'86 Dec	102¼	7.45		16.89
cn$ 40	Sears Acceptance	14	'91 Aug	113	10.49		12.39
cn$ 75	Shell Canada	11¾	'92 Jul	107¾	9.51		10.97
cn$ 40	Simpsons-Sears Accept	16¾	'89 Apr	113½	10.56		14.76
cn$ 50	Swedish Export Credit	12¾	'88 Sep	104	9.82		11.89
cn$ 50	Swedish Export Credit	12¾	'88 Sep	104	9.97		11.78
cn$ 50	Toronto-Dominion Bank	12¾	'89 Nov	106½	9.89		11.88
cn$ 50	Toronto-Municipality	13	'94 Oct	115¾	10.13		11.57
cn$ 50	Transalta Utilities	17	'88 Feb	114	10.16		14.91
cn$ 100	Transalta Utilities	13¾	'94 Dec	115¾	10.81		11.75
cn$ 50	Trizec Corp	13	'89 Oct	107¾	10.19		12.14
cn$ 50	Union Carbide Canada	12	'89 Jun	110	10.88		11.64
cn$ 30	Vancouver	13	'94 Apr	114	10.22		11.40
cn$ 81	Vienna City	13¾	'94 Jul	114½	10.44		11.57
cn$ 75	World Bank	12¾	'90 Oct	110¾	9.49		11.34
cn$ 40	Xerox Canada	12	'88 Sep	105¾	9.97		11.39
cn$ 50	Zentralsparka-Kommerz	11¾	'95 Feb	112½	9.42		10.54

FRENCH FRANCS

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
ff 100	Basf Transatlantica	7½	'87 May	91¼	22.24	22.43	8.19
ff 50	Bass Charrington	7½	'87 Aug	99¼	8.51	8.52	7.57
ff 100	Bat Intl Finance	7½	'87 Nov	99¼	7.80	7.99	7.53
ff 100	Charter Consolid O/s	7½	'87 Oct	99¼	7.98	8.04	7.54
ff 100	Ciments Lafarge	7½	'87 Jul	99¼	7.93	7.94	7.53
ff 100	Denmark	7½	'87 Sep	99½	8.04	8.04	7.54
ff 175	Eib Europ Invest Bank	7¼	'87 Aug	99¼	8.11	8.12	7.30
ff 150	Euratom	9¾	'87 May	99¾	10.17		9.79
ff 500	Gaz De France	11¼	'90 May	111¼	7.67		10.08
ff 100	Oslo City	7¼	'87 Mar	99¼	7.91	7.92	7.28
ff 175	Peugeot-Citroen	9¼	'87 Feb	99¾	10.43	10.42	9.79
ff 100	Pont-A-Mousson	7½	'87 Aug	99¼	8.06	8.07	7.54
ff 200	Renault	7¼	'87 Mar	99¼	8.11	8.12	7.29
ff 100	Rhone-Poulenc	7½	'87 Apr	99¼	8.46	8.47	7.55
ff 125	Solvay	9¼	'87 Apr	99¾	9.78		9.76
ff 150	World Bank	7¼	'87 Jun	99¼	7.87	7.87	7.29

JAPANESE YEN (EURO)

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
y 10000	Allied Co	6¾	'94 Dec	103¾	6.17		6.51
y 20000	Allied-Signal Inc	6¾	'93 Jan	103½	6.06		6.52
y 20000	American Express Cred	5¾	'93 May	100¾	5.80		5.85
y 20000	American Express O/s	5¾	'91 Apr	99¼	6.46		5.92
y 15000	Asian Develop Bank	7¾	'94 Feb	110	5.68		6.70
y 10000	Associates North Amer	6¾	'93 Nov	103¾	6.07		6.42
y 18000	Atlantic Richfield Co	6¾	'96 Apr	99¼	6.22		6.17
y 45000	Australia	5¾	'91 Jun	99¼	5.55		5.51
y 15000	Australia	8¾	'92 Oct	104¾	7.67		8.25
y 20000	Australian Ind Dev Co	6	'96 Mar	100¾	5.91		5.96
y 20000	Austria	7	'95 Apr	107¾	5.82		6.50
y 20000	Avon Capital Corp	6¾	'91 Dec	102¾	6.23		6.60
y 40000	Barclays Overs Invest	6	'96 Aug	99¾	6.02		6.01
y 10000	Bayerische Landesbank	5¾	'91 Apr	100¾	5.65		5.82
y 18000	Bayerische Vereinsbk	5¾	'91 Aug	99¾	5.77		5.84
y 15000	Beca Finance	6	'90 Apr	99¾	6.00		6.01
y 17000	British Petrol Overzs	7	'92 Mar	106¾	5.51		6.55
y 80000	Canada	6¾	'91 Feb	103	5.34		5.95
y 80000	Canada	5¾	'93 Jul	100¾	5.49		5.58
y 10000	Canadian Pacific	6¾	'96 Jan	105	6.03		6.43
y 20000	Citicorp	6¾	'93 Jul	100¾	6.19		6.23
y 30000	Coca-Cola Compagny	5¾	'96 Apr	99¾	5.87		5.80
y 15000	Credit Foncier France	6½	'96 Jan	105¾	5.74		6.17
y 10000	Csr Corporation	6¾	'96 Jan	102	6.45		6.62
y 10000	Denmark	5¾	'91 Apr	101	5.49		5.69
y 20000	Denmark	6¾	'92 Jan	105¾	5.55		6.41
y 10000	Denmark	6¾	'96 May	102¾	5.85		6.14
y 50000	Dow Chemical Co	7	'94 Dec	104¾	6.24		6.69
y 25000	Dow Chemical Co	6	'91 Apr	99	6.48		6.06
y 25000	Eib Europ Invest Bank	6¾	'96 Mar	105¾	5.72		6.39
y 20000	Electricite France	5¾	'91 Jan	101¾	5.44		5.65
y 20000	Electricite France	6¾	'91 Jan	102¾	5.72		6.40
y 10000	Eurofima	6¾	'92 Feb	103¾	5.87		6.41
y 20000	Eurofima	6¾	'93 Feb	103¾	5.97		6.48
y 10000	Eurofima	7¾	'94 Mar	105¾	6.46		7.01
y 15000	Eurofima	6½	'95 Aug	104½	5.84		6.22
y 15000	Finland	6¾	'90 Apr	104¾	5.27		6.44
y 20000	Ford Motor Credit Co	6¾	'91 Jan	103¾	5.88		6.54
y 35000	General Electric Co	5¾	'93 Apr	99¾	5.77		5.76
y 25000	General Motors Accept	6½	'90 Feb	102¾	5.58		6.33
y 22000	General Motors Corp	5¾	'91 Jun	100	5.74		5.75
y 12500	Goodyear Tire Rubber	6¾	'94 Dec	103¾	6.27		6.67
y 25000	Goodyear Tire Rubber	7¾	'95 May	104	6.50		6.85
y 18000	Ibm Credit Corp	5¾	'91 Nov	100¾	5.52		5.76
y 15000	Inter-American Dev Bk	7¾	'93 Nov	105¾	6.83		7.45
y 20000	Itt Corporation	6¾	'92 Apr	105	5.65		6.43
y 25000	Mcdonalds Corporation	6¾	'92 Jan	103¾	5.72		6.28
y 18000	Minnesota Mining Manu	5¾	'91 May	100¾	5.45		5.71
y 10000	Montreal City	6¾	'95 Jan	105¾	6.05		6.53
y 10000	Mortgage Bank Denmark	7	'92 May	105¾	5.78		6.62
y 10000	New Brunswick Provinc	7¾	'95 Jul	107¾	6.84		6.64
y 15000	New Zealand	8¾	'97 Dec	103¾	5.14		8.86
y 15000	New Zealand	7¾	'89 Sep	107¾	4.99		7.11
y 50000	Nippon Telegra Teleph	5¾	'96 Sep	100	5.87		5.88
y 10000	Nord-Lb Girozentrale	6½	'93 Mar	103¾	5.78		6.27
y 10000	Nordic Investment Bk	6	'91 Apr	102¾	5.38		5.84
y 20000	Pacific Gas Electric	7	'94 Sep	105¾	6.07		6.62
y 26000	Penney Jc Co Inc	6¾	'92 Feb	103¾	5.94		6.51
y 20000	Philip Morris Co Inc	6½	'91 Feb	103¾	5.55		6.27
y 20000	Postipankki	6½	'91 Feb	103¾	5.51		6.27
y 10000	Postipankki	5¾	'93 May	99¾	5.80		5.79
y 18000	Postipankki	6¾	'96 Apr	103¾	5.88		6.29
y 25000	Procter & Gamble	6	'91 Mar	101¾	5.57		5.90
y 25000	Procter & Gamble	6¾	'92 Feb	105¾	5.55		6.25
y 18000	Quebec Hydro-Electric	6¾	'94 Feb	106	5.79		6.37
y 25000	Sweden	5¾	'91 Aug	102¾	5.32		5.66
y 30000	Sweden	6	'95 Apr	102	5.72		5.88
y 10000	Swedish Export Credit	6½	'91 Apr	101¾	5.62		6.40
y 12000	Swedish Export Credit	6¾	'91 Nov	103¾	6.08	5.68	6.54
y 14000	Swedish Export Credit	6¾	'96 Feb	105¾	5.89		6.28
y 15000	Trw Inc	7	'94 Dec	104	6.36		6.73
y 25000	United Technologies	6¾	'92 Jan	104¾	5.65		6.25
y 10000	Walt Disney Productio	6¾	'96 Feb	104¾	5.93		6.22
y 25000	World Bank	6¾	'90 Apr	104¼	4.70		6.24
y 20000	World Bank	8¾	'91 Feb	112¾	5.44		7.76
y 20000	World Bank	8¾	'92 Mar	112¾	5.61		7.43
y 20000	World Bank	8	'93 Mar	112¾	5.62		7.10
y 20000	World Bank	7¾	'93 Nov	111½	5.64		6.84
y 20000	World Bank	6¾	'94 Dec	106¾	5.62		6.22
y 25000	World Bank	6½	'96 Feb	105¾	5.67		6.14
y 50000	World Bank	5¾	'96 Aug	100¾	5.68		5.72

NORWAY KRONERS

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
nkr 250	Denmark	9½	'92 Mar	98½	9.84		9.64
nkr 200	Eksportfinans	12	'89 Jan	101½	10.98		11.78
nkr 250	Eksportfinans	10¼	'92 Jan	101¼	9.94		10.14
nkr 200	Finland	11¼	'89 Jun	102½	10.24		11.10
nkr 100	Nordic Investment Bk	12½	'90 Jul	104	11.14	10.43	12.02
nkr 100	Norges Hypotekforenin	10½	'88 Apr	98¼	11.74	12.35	10.70
nkr 250	Norsk Data	10¾	'89 Dec	101¼	10.10		10.58
nkr 200	Norsk Hydro	12	'91 Oct	102¾	11.28	10.74	11.69
nkr 100	Oslo City	10¼	'90 Feb	99¾	10.25	10.31	10.26
nkr 150	Oslo City	11¼	'91 Aug	103¾	10.19		10.91
nkr 250	Scandinavian Airlines	10½	'93 Jun	100¾	10.08		10.11

POUNDS STERLING

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
£ 40	Alliance & Leicester	10	'91 Mar	99¾	10.14		10.06
£ 40	American Brands	12	'96 Feb	118¾	10.11		10.88
£ 50	Amev Nv	11	'93 Jan	105¾	9.74		10.41
£ 50	Amro Bank	10½	'91 Mar	104	9.35		10.10
£ 30	Austrian Control Bank	12¾	'91 Jun	107	10.38		11.45
£ 100	Bat Intl Finance	10¾	'91 Dec	102¾	10.06		10.48
£ 50	British Petrol Capita	10¾	'92 Sep	104¾	9.67		10.26
£ 40	Cbs Inc	10¾	'94 Dec	103¾	10.23		10.52
£ 30	Cigna O/s Finance	12¾	'93 Aug	108¾	10.53		11.38
£ 20	Citicorp O/s Finance	10	'93 Mar	99¾	10.06	10.10	10.04
£ 30	Commonwealth Bk Austr	11	'92 Apr	103	10.38		10.68
£ 50	Council Of Europe	11¾	'92 Mar	107	9.66		10.63
£ 50	Credit Lyonnais	10¾	'94 Jan	104¾	9.91		10.32
£ 75	Denmark	10¾	'89 Apr	102¾	9.45		10.46
£ 75	Denmark	11¾	'94 Sep	111¾	9.76		10.66
£ 50	Deutsche Bank Finance	10¾	'91 Mar	103¾	9.53		10.28
£ 50	Eec Europ Econom Com	11¾	'90 Nov	105¾	9.58	9.38	10.74
£ 50	Eec Europ Econom Com	11¾	'91 Feb	102¾	11.12	10.43	11.49
£ 50	Eec Europ Econom Com	11¾	'93 Oct	107	10.42		11.10
£ 50	Eec Europ Econom Com	11¾	'94 Feb	107	9.97		10.63
£ 25	Eib Europ Invest Bank	9¾	'88 Feb	100	9.46	9.66	9.75
£ 15	Eib Europ Invest Bank	12	'91 Jul	102	11.42	11.36	11.76
£ 50	Eib Europ Invest Bank	10¾	'92 Feb	105¾	9.47		10.22
£ 50	Eib Europ Invest Bank	9¾	'92 Dec	99¾	9.90		9.82
£ 50	Eib Europ Invest Bank	11¾	'93 Apr	108¾	9.34		10.22
£ 35	Emhart Corp	11	'92 Nov	103¾	10.27		10.67
£ 20	Eurofima	11	'90 Mar	101	10.59		10.89
£ 40	Finance For Industry	10¾	'90 May	100¾	10.29		10.45
£ 40	Forsmarks Kraftgrupp	10¾	'89 Apr	100¾	10.45		10.60
£ 40	General Motors Accept	11	'90 Apr	104	9.58		10.58
£ 30	General Motors Accept	10½	'90 Jun	104¾	9.15		10.08
£ 75	General Motors Accept	11	'91 Apr	104¾	9.81		10.56
£ 50	Grand Metrop Finance	10¾	'90 Sep	102¾	10.05		10.60
£ 150	Hanson Trust	10	'86 Apr	95	10.60		10.53
£ 75	Imperial Chemical Ind	10¾	'92 Aug	103	10.05		10.44
£ 75	Imperial Chemical Ind	11¾	'95 Sep	105¾	10.39		10.68
£ 100	Imperial Chemical Ind	10	'93 Apr	98¾	10.27		10.18
£ 30	Indust Bank Japan Fin	11¾	'95 Dec	106¾	10.44	10.00	10.87
£ 40	Inter-American Dev Bk	11¾	'91 Mar	106	9.65		10.73
£ 75	Inter-American Dev Bk	11¾	'95 May	108¾	9.92		10.52
£ 50	Investors In Industry	11½	'91 Dec	102¾	10.89		11.25
£ 100	Investors In Industry	10	'93 Apr	99¾	10.09		10.01
£ 50	Investors In Industry	10¾	'93 Oct	102¾	10.38		10.53
£ 50	Ireland	11¾	'94 Apr	101	11.15		11.36
£ 50	Lewis John	10¾	'94 May	98¾	10.45		10.43
£ 40	Mcdonalds Corporation	10¾	'90 Apr	104¾	9.44		10.44
£ 75	Mepc	10¾	'93 Apr	96¾	10.74		10.66
£ 50	Mitsubishi Fin(hk)	11	'90 May	102¾	9.75		10.62
£ 75	Nationwide Build Soc	10¾	'91 Apr	99¾	10.20		10.16
£ 100	New Zealand	10¾	'89 Apr	101¾	9.74		10.43
£ 20	Norsk Hydro	14¾	'87 Jul	103¾	10.07		14.04
£ 50	Norsk Hydro	11¾	'91 Mar	107¾	9.43		10.80
£ 50	Pemex Petroleos Mexic	16¾	'87 Apr	99¾	17.54		16.65
£ 50	Philips Finance	10¾	'93 Mar	104¾	9.59		10.14
£ 75	Philip Morris Cred Co	11¾	'95 Apr	102¾	10.49		10.76
£ 40	Rank Xerox Finance	11	'92 Apr	102¾	10.30		10.71
£ 18	Rowntree Mackintosh	10¾	'88 Feb	99¾	10.25	10.26	10.26
£ 40	Royal Bank Of Canada	10¾	'91 Dec	102¾	10.18		10.47
£ 60	Royal Insurance	10¾	'92 Aug	102¾	10.08		10.45
£ 30	Royal Trustco	11¾	'93 Mar	104¾	9.82		10.51
£ 60	Sainsbury J	10¾	'92 Jan	102¾	10.08		10.56
£ 30	Sterling Drug Capital	10¾	'96 Apr	102	9.80		10.08
£ 75	Sweden	11¾	'93 Aug	104	10.41		10.82
£ 100	Sweden	11¾	'95 Mar	109	9.44		10.32
£ 100	Sweden	8¾	'96 May	94¾	9.63		9.26
£ 30	Swedish Export Credit	11¾	'88 Jul	102¾	9.87		11.22
£ 50	Swedish Export Credit	11¾	'92 Mar	106	9.88		10.73
£ 50	Treasury New S Wales	10¾	'92 Dec	102¾	9.96		10.33
£ 50	Trusthouse Forte	11¾	'90 Apr	102¾	10.14		10.83
£ 25	United Technologies	11¾	'89 Sep	103¾	10.34		11.35
£ 50	Westpac Banking	10¾	'93 Apr	102	10.29		10.54
£ 15	Whitbread Co	10½	'90 Apr	99¾	10.67	10.75	10.57
£ 100	World Bank	11½	'88 Aug	102¾	9.43		10.81
£ 100	World Bank	10¾	'89 Apr	102¾	9.29		10.33
£ 50	World Bank	10¾	'89 Dec	102	9.48		10.32
£ 50	World Bank	11	'94 Dec	105½	9.29		10.08
£ 100	World Bank	11¾	'95 May	108¾	9.53		10.85

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CONVERTIBLE BONDS

Sept. 5

Amt	Security	%	Mat	Mkt. Price	Conv. Period		Conv. Price p/sh	Curr Yield	Conv. Prem.
	EUROPE								
$ 80	Alusuisse Capit 17.08	6½	'95 Jun	92¾	16 Jan 81	maturity	$ 58 5/9	70.57	
$ 40	Alusuisse Intl	4¾	'87 Mar	98¾	1 Sep 69	maturity	$ 1378 1/8	106.29	
$ 20	Banca Svizzera Italia	6	'93 Oct	152½	1 Dec 83	maturity	$ 1250	3.38	1.82
$ 84	Bbc Brown Boveri 5.34	4¾	'93 Dec	181½	1 Jul 79	maturity	$ 1000 3/8	8.32	
$ 57	Bbc Brown Boveri 10.80	4¾	'95 Dec	168	1 Feb 84	maturity	$ 108	3.36	
ecu 170	Btr Plc	4¾	'95 Dec	119½	1 Jan 86	maturity	p 280 – p 283.976	6.29	2.86
$ 150	Btr Plc	5	'95 Dec	124½	1 Jan 86	maturity	p 280 – p 249.341	1.74	3.86
$ 80	Cadbury Schweppes	8	'00 Dec	125½	15 Jan 86	8 Dec 00	p 182 – p 121.616	24	4.75
$ 100	Credit Suisse Bahamas	4¾	'91 Dec	240	10 Jan 77	maturity	$ 1000	83	2.27
$ 100	Credit Suisse Bahamas	4¾	'93 Dec	180¾	1 Oct 79	maturity	$ 1250	1.73	2.20
$ 51	Electrowatt Finance	5	'98 Jan	155	17 Oct 83	29 Jun 98	$ 1350	2.07	1.76
$ 80	Hawley Group Pref/sh	8½	'88 May	106	1 Jan 87	28 Dec 00	p 1.35 – p 1.283	27.10	29.91
i 180	Ici Finance 1.25	8½	'99 Oct	136¾	15 Oct 84	1 Oct 99	p 800	37	.03
$ 100	Ici Intl Fin 134.77	6¾	'97 Oct	161	1 May 78	1 Sep 97	p 460 – p 338.122	11.20	.03
$ 40	Inchcape Bermu 93.27	8	'95 Aug	92	15 Feb 81	15 Jul 95	p 455 – p 717.236	42.53	4.47
$ 24	Interfhan O/s 5.80	3¼	'90 Oct	222	2 Apr 77	maturity	$ 220.976	3.29	1.76
$ 24	Interfhan O/s 18.00	6	'93 Oct	223	1 Oct 83	maturity	$ 235.675	1.46	1.76
$ 40	Laporte Finance	6¾	'00 May	142	13 May 85	30 Apr 00	p 185 – p 152.200	3.14	6.40
$ 100	Laporte Finance	4¾	'01 Apr	160	6 May 86	23 Apr 01	p 272.80 – p 267.800	38.61	6.78
ff 500	Michelin 3.46	7¾	'00 Jan	240	2 Jan 86	2 Jan 00	ff 1388.888	2.39	.59
$ 40	Moet-Hennessy 5.82	7	'97 Jan	191½	2 Jan 85	2 Jan 97	$ 171.820	3.91	3.59
$ 75	Pearson Plc	5¾	'01 May	109	29 May 86	maturity	p 5 – p 5.668	4.23	92.21
$ 50	Pirelli Fin Services	7	'95 Jun	177½	4 Aug 85	22 Jun 95	$ 147.800	1.78	3.94
$ 40	Pirelli Uk Intl	7½	'00 Jun	225	6 Aug 85	22 Jun 00	p 1.348	3.26	
$ 75	Rank Organisat 48.84	4¾	'93 Feb	80¼	14 Feb 74	maturity	p 618 – p 971.442	55.95	1.40
$ 99	Sandoz Holding 5.00	4¾	'97 Dec	188¾	1 Aug 85	maturity	$ 222	2.25	.84
$ 60	Surveillance	4¾	'94 Jun	245¾	1 Jul 84	maturity	$ 1959	1.93	.72
$ 120	Swiss Bank Co O/s	6¾	'90 Dec	158½	1 Sep 80	maturity	$ 200	2.57	2.13
$ 120	Ubs (luxembourg) 1.80	4¾	'87 Jun	319¾	1 Jun 77	maturity	$ 1200	.82	1.48
$ 115	Ubs (panama) 15.00	5	'89 May	197	1 Feb 80	maturity	$ 76 2/3	1.61	1.50
	JAPAN								
$ 120	Alinomoto Co	3	'99 Mar	271	30 Apr 84	22 Mar 99	Y 984.70 – 474.382	.40	.55
$ 70	Bridgestone Tire Co	8½	'96 Dec	213	1 Mar 82	28 Dec 96	Y 470 – 311.735	1.89	1.49
$ 100	Canon Inc	2	'00 Jun	116	1 Jul 85	20 Jun 00	Y 1301 – 883.726	.79	1.35
$ 100	Casio Computer	3	'00 Mar	122½	24 Jan 85	10 Mar 00	Y 1500.40 – 977.995	1.67	1.02
$ 50	Citizen Watch Co	3	'00 Mar	107½	22 Apr 85	20 Mar 00	Y 590 – 354.378	4.44	1.47
$ 100	Fujitsu Ltd	3	'99 Mar	120½	1 May 84	23 Mar 99	Y 1189.80 – 754.779	1.89	.84
$ 100	Hitachi Credit Corp	3	'96 Sep	190	16 Jul 81	20 Sep 96	Y 1612.70 – 1099.143	.69	.36
$ 40	Jvc Victor Comp Japan	5	'97 Mar	125¾	18 Jan 82	18 Mar 97	Y 2222 – 1568.500	2.40	.57
$ 40	Kallma Corporation	3¾	'00 May	140	1 Apr 85	23 May 00	Y 290 – 171.463	1.91	.34
$ 40	Kao Corporation	3	'00 Mar	184	1 Apr 85	20 May 00	Y 711.50 – 499.963	1.51	.92
$ 20	Komatsu Photo	4	'98 Apr	103¾	25 Oct 83	13 Apr 98	Y 647 – 422.077	2.71	1.35
$ 60	Marui Co Ltd	3½	'99 Jun	256	10 Jul 84	28 Jun 99	Y 1162 – 764.472	.42	.44
$ 100	Mazda Motor Corp	3	'00 Apr	128¾	7 May 85	20 Apr 00	Y 486 – 299.344	1.24	1.79
$ 100	Mitsubishi Electr Co	2¾	'00 Mar	173	1 Mar 85	20 Mar 00	Y 422 – 280.807	3.24	1.21
$ 100	Murata Manufacturing	3¾	'99 Mar	159¾	21 Feb 84	19 Mar 99	Y 1958.60 – 1291.098	1.48	.20
$ 100	Murata Manufacturing	2¾	'00 Mar	114¾	16 Jul 84	17 Mar 00	Y 1998.20 – 1286.778	2.08	.29
$ 150	Nec Corporation	2¾	'00 Mar	216	7 Jan 85	24 Mar 00	Y 1293 – 883.800	2.28	.29
$ 50	Nippon Oil	3¾	'99 Mar	182	20 Mar 84	17 Mar 99	Y 1001.30 – 653.262	3.97	.57
$ 70	Nippon Oil	3	'00 Mar	180½	20 May 85	20 Mar 00	Y 923 – 589.786	2.13	.57
$ 70	Nippon Seiko	3¼	'99 Oct	132	19 Nov 84	20 Oct 99	Y 603.20 – 374.530	2.10	2.77
$ 100	Nissan Motor	5¾	'98 Mar	149¾	5 Apr 83	24 Mar 98	Y 636.40 – 414.294	2.57	.97
$ 40	Olympus Optical Co	6¾	'97 Oct	146½	7 Dec 82	24 Oct 97	Y 1157.40 – 684.161	.47	1.79
$ 40	Orient Finance Co	5¾	'97 Mar	199	1 Mar 82	25 Mar 97	Y 927.20 – 643.712	.80	.42
$ 100	Sanwa Bank Ltd	2¾	'00 Sep	151½	17 Oct 85	20 Sep 00	Y 1442.70 – 913.100	2.58	.25
$ 30	Sanyo Electric Co	5	'96 Nov	110¾	1 Oct 81	20 Nov 96	Y 592.70 – 397.527	7.34	1.46
$ 50	Secom Co Ltd	3	'99 Nov	267½	1 Oct 84	29 Nov 99	Y 4940 – 3167.977	.43	.25
$ 50	Sekisui House Ltd	3	'99 Jan	180	4 Oct 84	20 Jan 99	Y 612 – 418.449	.41	.26
y 20000	Sony Corp	2	'00 Apr	92½	1 May 85	27 Apr 00	Y 4570	34.81	.70
$ 70	Sumitomo Corp	2¾	'99 Mar	300	17 May 84	19 Mar 99	Y 539.30 – 370.750	1.58	.28
$ 50	Sumitomo Metal Indust	7	'95 Sep	142	2 Feb 81	20 Sep 95	Y 175.70 – 125.308	4.34	2.63
$ 100	Tokyo Sanyo Electric	3½	'99 Nov	184	3 Dec 84	19 Nov 99	Y 592.80 – 368.879	3.42	2.81
$ 50	Toshiba Ceramics Co	3	'00 Sep	117½	19 Apr 85	20 Sep 00	Y 1734.20 – 1027.329	.39	.71
	MISCELLANEOUS								
$ 140	Elders Nv 445.45	11¾	'94 Jul	133	28 Sep 84	7 Jul 94	aus$ 2.54 – aus$ 3.478	2.17	2.88
$ 150	Jardine Math Pref/sh	7	'00 Jun	108¾			hk$ 7 hk$ 7.083	13.21	
$ 45	Pacific Dunlop 391.22	7	'96 Jul	96	12 Aug 86	maturity	aus$ 4 – aus$ 4.189	17.27	3.43
	U.S.A.								
$ 15	Addressograph 12.50	4¾	'88 May	82	1 Dec 68	maturity	$ 80	993.33	
$ 40	Alaska Interstа 42.63	8¾	'95 Dec	60	28 Apr 81	maturity	$ 23.460	48.87	4.30
$ 70	American Banker 58.96	5¾	'01 May	165½	27 May 86	maturity	$ 19 5/8	42.79	9.38
$ 20	American Can 18.85	4¾	'88 May	256	1 May 69	maturity	$ 53.427	2.84	2.29
$ 40	American Expres 33.33	4¼	'87 May	218	15 May 73	maturity	$ 30	.72	2.06
$ 200	American Gener 24.69	6¾	'00 May	122	16 May 85	3 May 00	$ 40 1/2	16.60	2.36
$ 35	American Motor 141.55	6	'92 Apr	92½	1 Oct 72	maturity	$ 6.190	168.31	
$ 30	Amf Incorp 19.14	5	'87 Sep	92	1 Jun 73	maturity	$ 52 1/4	243.36	3.57
$ 25	Apache Intl Fin 42.54	9¾	'96 Jun	83½	14 Oct 81	maturity	$ 23 1/8	140.34	2.11
$ 200	Beatrice Fin 27.31	10¾	'94 Sep	135½	15 Sep 85	maturity	$ 36 5/8		
$ 25	Blocker Energy 45.71	8¾	'95 Jul	22	20 Oct 80	maturity	$ 21 7/8	285.00	
$ 35	Broadway-Hale 24.16	4¾	'87 Jun	97	15 Jun 73	maturity	$ 41 1/2	9.91	3.33
$ 35	Burlington Ind 21.74	7	'01 Aug	104½	5 Aug 86	maturity	$ 46	30.88	5.55
$ 125	Celted Inc 28.57	6¾	'01 Feb	138½	28 May 86	maturity	$ 35 1/4	11.62	1.28
$ 7	Carrier O/s 34.48	6	'89 Dec	128	31 Jul 70	maturity	$ 29	2.22	7.16
$ 15	Cdc Control Dat 14.55	5	'98 Apr	96½	15 Oct 68	maturity	$ 68.420	116.55	
$ 50	Charter Intl F 120.51	8¾	'94 Oct	50	5 Feb 80	maturity	$ 8 3/4	589.36	
$ 50	Chevron O/s Fin 64.37	5	'88 Feb	201	1 Aug 68	maturity	$ 15.535	1.35	5.42
$ 40	Chrysler O/s 32.36	5	'88 Feb	122	15 Aug 68	maturity	$ 30.890	2.06	2.57
$ 40	Chrysler O/s 28.25	4¾	'88 May	108	15 Dec 68	maturity	$ 35.400	1.45	2.57
$ 50	Comcast Corp 41.88	7	'00 Sep	122½	4 Sep 85	maturity	$ 23 7/8	9.85	.11
$ 110	Conrail Intl 28.46	7¾	'98 Oct	169½	15 Oct 83	maturity	$ 40 7/8	12.36	3.43
$ 25	Contl Tel Intl 42.18	5¾	'88 Mar	143	1 Apr 69	maturity	$ 23.710	3.43	5.18
$ 30	Crutcher Financ 33.94	8¾	'95 Dec	16	4 May 81	maturity	$ 29.460		
$ 15	Cummins Int Fin 18.35	6¾	'86 Oct	104½	30 Jun 72	maturity	$ 54 1/2	4.88	3.67
$ 20	Cummins Int Fin 27.45	5	'88 Aug	165	1 May 69	maturity	$ 36.160	.35	3.67
$ 20	Damon Corp 13.75	5¾	'87 Dec	81	1 Jul 73	maturity	$ 73 3/4	396.22	1.88
$ 25	Diasonics Inc 214.22	6¾	'01 Jul	93	30 Jul 86	maturity	$ 4 5/8	27.44	
$ 8	Dictaphone Intl 34.19	5¾	'88 Jun	430½	1 Oct 68	maturity	$ 29 1/4	.85	1.67
$ 10	Dialcon Finance 33.90	8¾	'95 Oct	25	23 Feb 81	maturity	$ 29 1/2	1325.00	
$ 70	Eastman Kodak 15.62	4¾	'88 May	166½	15 May 69	maturity	$ 64	19.84	3.87
$ 300	Eastman Kodak 13.16	6¾	'01 Jul	188¾	1 Jul 86	maturity	$ 76	44.45	3.87
$ 15	El Eco Labo Int 43.96	4¾	'87 Dec	108	1 Oct 73	maturity	$ 22 3/4	.29	4.34
$ 13	Electron Memori 29.85	5½	'88 Dec	93	15 Jul 69	maturity	$ 33 1/2		
$ 22	Esterline Intl 23.21	6¾	'95 Oct	92	7 Apr 81	maturity	$ 29.467	149.53	4.97
$ 30	Fedders Capital 21.16	5	'92 May	65	15 Dec 72	maturity	$ 47 1/4	378.60	
$ 35	Ford Intl Financ 40.80	5	'88 Mar	236½	30 Apr 74	maturity	$ 25	1.85	4.40
$ 25	Gelbury Oil Intl 58.63	8½	'96 Jan	45	7 May 81	maturity	$ 17 3/4	332.88	
$ 18	General Electri 24.77	4¾	'87 Jun	192	15 Jun 73	maturity	$ 40 3/8	.39	2.56
$ 15	Genesco World 26.32	5½	'88 Mar	85	1 Nov 68	maturity	$ 38	732.55	
$ 75	Glenfed Inc 35.40	7¾	'01 May	108½	15 May 86	maturity	$ 28 1/4	28.72	.73
$ 120	Grace Wr & Co 15.81	7	'01 Feb	107	7 Feb 86	maturity	$ 63.550	35.68	5.52
$ 50	Halterick Payne 17.32	7½	'95 Oct	108	6 May 81	maturity	$ 57 3/4	13.52	2.24
$ 60	Honeywell Capit 16.67	6	'86 Nov	113	1 Jul 72	maturity	$ 60	4.84	2.31
$ 380	Ibm Corporation 25.97	6¾	'96 Mar	108	4 May 86	26 Jul 97	$ 38 1/2	67.38	
$ 30	Ina O/s Finance 20.93	6	'97 Aug	167	1 May 78	25 Jul 97	$ 32.220	1.36	2.61
$ 50	Ina O/s Finance 22.81	8¾	'00 Sep	127	1 Apr 81	25 Aug 00	$ 43	3.44	4.89
$ 15	Intl Stand Elec 18.98	5	'88 Feb	104	15 Aug 68	maturity	$ 52.910	7.82	1.95
$ 15	Intl Stand Elec 15.45	5¾	'88 Dec	97½	1 Jun 69	maturity	$ 64.720	14.57	1.95
$ 25	Intl Stand Elec 17.14	6¾	'89 Nov	100	15 May 70	maturity	$ 58.350	8.31	1.88
$ 15	Intl Telephone 17.82	4¾	'87 Oct	188½	15 Apr 73	maturity	$ 56 1/8	12.77	1.85
$ 30	Itt Sheraton 18.55	6½	'89 Jul	188½	1 Feb 70	maturity	$ 53.916	8.32	3.25
$ 30	Kaiser Aluminum 40.65	5	'88 Jan	75	1 Aug 69	maturity	$ 24.600	28.44	.87
$ 30	Kinder-Care Intl 23.39	6¾	'98 Aug	112	15 Aug 83	maturity	$ 42.750	20.91	4.34
$ 30	Lear Petrol Lsc 57.00	8	'89 Jun	100	17 Dec 77	maturity	$ 19.596	333.13	4.88
$ 40	Lear Petrol Lsc 39.26	8	'95 Oct	95	4 Feb 81	maturity	$ 25.407	382.73	4.88
$ 100	Louisiana Land 23.81	8¾	'00 Mar	107¾	27 Mar 85	26 Mar 00	$ 42	48.19	3.19
$ 60	Ltv Intl 93.23	5	'88 Jul	45	1 Feb 69	maturity	$ 10.750	16.59	
$ 50	Marine Midland 25.00	5	'88 May	129¾	15 Dec 68	maturity	$ 40	.39	3.53
$ 20	Marion Intl Fin 67.80	9	'95 Oct	137½	5 Jan 81	maturity	$ 14 3/4		
$ 15	Massmutual Mtge 31.81	6¾	'87 Jul	97	15 Mar 72	maturity	$ 32 1/4	158.26	14.40
$ 15	Massmutual Mtge 30.00	8	'94 Jul	93	20 Sep 81	maturity	$ 28	23.89	14.40
$ 15	Mcis Capital Co 13.28	5¾	'89 May	75	7 Jan 70	maturity	$ 82	1383.12	
$ 35	Mel Intl Fin 62.97	8¾	'95 Dec	7½	13 Mar 81	maturity	$ 15.880		
$ 75	Mitel Co Intl 31.75	7	'97 Dec	122	6 Apr 83	maturity	$ 21 1/2	137.44	
$ 25	Mohasco Intl 20.63	5	'87 Jun	96	15 Mar 73	maturity	$ 48 1/2	136.16	3.34
$ 50	Moran Energy 42.85	8	'95 Nov	58	11 Feb 81	maturity	$ 23 1/8	200.35	
$ 50	Morson Jp O/s 38.27	4¾	'87 Jun	244	15 Jan 73	maturity	$ 26 1/8	.47	2.97
$ 100	Newmont Mining 10.95	7	'01 Aug	111½	14 Aug 86	maturity	$ 91 3/8	23.48	3.44
$ 40	Northern Teleco 23.71	7	'98 Mar	112	19 Jul 83	28 Feb 98	$ 29.444	13.15	1.69
$ 50	Pan American 29.55	5¾	'88 Jan	92	1 May 69	maturity	$ 12.570	181.12	
$ 25	Pepsico Finance 31.81	4¾	'95 Dec	226¾	1 Jul 81	maturity	$ 32 3/4	102.58	
$ 20	Penney Jc Europ 18.67	6	'89 Dec	102	1 Jul 70	maturity	$ 53.590	3.96	3.61
$ 25	Penney Jc Intl 12.19	6	'87 Aug	110	1 Aug 73	maturity	$ 82.080	15.32	3.63
$ 35	Pepsico Capital 70.99	5¾	'00 Oct	248	25 Oct 81	maturity	$ 12 2/3	1.40	5.50
$ 75	Ramada Capital 64.32	7	'96 Apr	94	15 Jul 72	maturity	$ 15.570	186.07	
$ 60	Reading Bates 27.78	6¾	'96 Nov	36	2 Mar 81	maturity	$ 36	189.88	2.13
$ 25	Reynolds Metals 22.89	8	'88 Dec	109¾	31 Mar 69	maturity	$ 43.680	3.58	3.39
$ 100	Rouse Company 25.69	5¾	'96 Jun	95	30 Apr 73	maturity	$ 39 3/8	34.95	
$ 12	Scoan Industrie 44.67	5¾	'97 Oct	9	7 Jun 83	maturity	$ 15		
$ 50	Smith Cdlf Edi 61.78	13½	'97 Aug	203	1 Feb 73	maturity	$ 16.188	1.80	5.35
$ 50	Southland Corp 45.19	5	'87 Jul	240	8 Nov 83	maturity	$ 22.728	1.29	2.08
$ 15	Smithwest Alril 24.71	8¾	'98 Jul	90½	2 Apr 81	maturity	$ 38.260	68.55	
$ 15	Spectra-Physics 22.39	8	'94 Dec	96	15 Mar 74	maturity	$ 42 3/4	38.69	
$ 60	Sperry Rand Co 20.00	4¾	'88 Feb	146	15 Mar 86	maturity	$ 50	6.82	2.95
$ 30	Squibb Intl Fin 17.54	4¾	'87 Jun	253	15 Jun 83	maturity	$ 57	1.00	1.98
$ 100	St Paul Comp 29.75	7½	'00 Apr	126¾	15 Apr 85	maturity	$ 33.600	7.35	7.88
$ 30	Sunrise Medical 26.74	7¾	'94 Jun	88	26 Jan 86	maturity	$ 17 5/8	42.07	
$ 1000	Texaco Capital 20.00	11½	'94 May	108	1 May 84	maturity	$ 50	30.04	6.88
$ 500	Texaco Capital 20.00	11¾	'94 May	105½	15 May 84	maturity	$ 50	38.38	3.34
$ 75	Texaco (europe) 22.60	4¾	'88 Jul	94	15 Apr 69	maturity	$ 44 1/2	33.54	3.49
$ 50	Texco Intl Fin 26.74	8	'93 Oct	35	1 Apr 81	18 Oct 93	$ 37 3/8	280.87	
$ 50	Transco Intl 17.76	8¾	'95 Dec	100¾	14 Aug 81	maturity	$ 56 1/2	28.57	14.70
$ 50	Tricoro Oil Gas 33.94	8¾	'95 Sep	25	24 Feb 81	maturity	$ 29.460	49.80	1.38
$ 30	Trw Intl Financ 19.85	5	'88 Sep	186	1 Feb 69	maturity	$ 52 1/2	1.80	3.38
$ 50	Usair Finance 28.67	10¾	'94 May	109¾	15 Mar 84	maturity	$ 34 7/8	22.20	.34
$ 25	Varco Intl Fin 28.47	8½	'96 Mar	34	20 Oct 81	maturity	$ 30 1/2	332.63	
$ 50	Viacom Intl Inc 26.37	7¾	'00 Jul	119½	12 Jul 85	maturity	$ 27 1/2	78.80	1.40
$ 225	Viacom Intl Inc 22.83	5¾	'01 Jun	100½	24 Jun 86	maturity	$ 39 7/8	34.14	1.48
$ 30	Warner Lambert 22.92	4¾	'87 Apr	124½	1 Apr 73	maturity	$ 48	.85	3.35
$ 30	Warner Lambert 14.26	4¾	'88 Apr	113	1 Apr 74	maturity	$ 61 1/2	14.51	3.35
$ 30	Warner Lambert 34.49	4¾	'88 Aug	206	1 May 69	maturity	$ 29	.85	3.35
$ 75	Xerox Corp 4.76	5	'88 Dec	96	1 Jan 75	maturity	$ 146	349.26	3.35

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Amt	Security	%	Mat	Mkt. Price	Conv. Period		Conv. Price p/sh	Curr Yield	Conv. Prem.
$ 160	Elders Nv 445.45	11¾	'94 Jul	133	28 Sep 84	7 Jul 94	aus$ 2.54 – aus$ 3.478	2.17	2.88
$ 50	Ina O/s Finance 22.81	8¾	'00 Sep	127	1 Apr 81	25 Aug 00	$ 43	3.44	4.89
$ 50	Usair Finance 28.67	7	'96 Sep	109¾	15 Mar 84	maturity	$ 34 7/8	9.75	.34
$ 25	Intl Stand Elec 17.14	6¾	'89 Nov	100	15 May 70	maturity	$ 58.350	8.31	1.88
i 160	Ici Finance 1.25	8½	'99 Oct	136¾	15 Oct 84	1 Oct 99	p 800	.37	.03
$ 30	Itt Sheraton 18.55	6½	'89 Jul	188½	1 Feb 70	maturity	$ 53.916	8.32	3.25
$ 15	Cummins Int Fin 18.35	6¾	'86 Oct	104½	30 Jun 72	maturity	$ 54 1/2	4.88	3.67
$ 80	Cadbury Schweppes	8	'00 Dec	125½	15 Jan 86	8 Dec 00	p 182 – p 121.616	.24	4.75
$ 50	Comcast Corp 41.88	7	'00 Sep	122½	4 Sep 85	maturity	$ 23 7/8	9.85	.11
$ 100	St Paul Comp 29.75	7½	'00 Apr	126¾	15 Apr 85	maturity	$ 33.600	7.35	7.88
$ 50	Smith Cdlf Edi 61.78	13½	'97 Aug	203	7 Jan 83	maturity	$ 16.188	1.80	5.35
$ 60	Honeywell Capit 16.67	6	'86 Nov	113	1 Jul 72	maturity	$ 60	4.84	2.31
$ 75	Pearson Plc	5¾	'01 May	109	29 May 86	maturity	p 5 – p 5.668	4.23	92.21
$ 7	Carrier O/s 34.48	6	'89 Dec	128	31 Jul 70	maturity	$ 29	2.22	7.16
$ 50	Sumitomo Metal Indust	7	'95 Sep	142	2 Feb 81	20 Sep 95	Y 175.70 – 125.308	4.34	2.63
$ 35	Broadway-Hale 24.16	4¾	'87 Jun	97	15 Jun 73	maturity	$ 41 1/2	9.91	3.33
$ 50	Intl Stand Elec 18.98	5	'88 Feb	104	15 Aug 68	maturity	$ 52.910	1.80	1.95

Explanation of Symbols

CN$	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NKD	Norwegian Kroner - DM		

NASDAQ National List

OTC consolidated trading for week ended Friday.

Stock	Div	Yld	Sales in 100s	High	Low	Last	Net Ch'ge
A							
AA Imp				4½	4½	4½	
AC Tel			61	4¾	4½	4½	
ACS Ind			12	3¾	3¾	3¾	— ¼
AIFS			120	8½	8¼	8½	
ASDR			2510	½	½	½	
ATI			384	5¾	5½	5¾	— ⅛
AbingS			66	9	8¾	8¾	
Aceptin			564	9¼	9	9	— ¼
Adapt			603	10½	10½	10½	
Adeloh			522	16	15¼	16	+ ¾
AdobSy			846	16¼	13¾	15¾	+2½
AdvRos			140	5¾	5¾	5¾	— ⅛
AdvInst			182	3¾	3½	3½	— ⅛
AerS un			191	13½	13½	13½	— ⅛
Alden	.25e	4.4	39	5¾	5¾	5¾	— ¼
AlexEn			202	1¾	1⅝	1⅝	
AllATV			90	9¾	8¼	8½	—1¼
AllSea			149	1¼	1	1¼	+ ⅛
Aloette			225	9½	9½	9½	
AloSchr			9	17	17	17	
Amribc			27	18	17	18	+1
AmAgr	.60a	2.0	63	30¾	30¾	30¾	
ACont pf	3.44	13.2	251	26	26	26	
AFn pfD	1.00	10.1		9¾	9¾	9¾	
AFn pfE	1.00	10.3		9¾	9¾	9¾	
AFn pfF	1.80	10.4	10	17½	17¾	17¾	— ⅛
ALnd un			2	8½	8½	8½	
AmLm			270	9¾	9¼	9¼	— ½
AMidl wt			5				
AMidl wt			53	⅝	½	½	
ANtPt s			46	¾	⅝	⅝	— ⅛
AmPac				2¼	2¼	2¼	
AmPaso			148	4	3¾	3¾	— ⅛
ARecr s	.12	1.6	148	7¾	7¼	7¼	+ ½
AmtyBk			40	11¼	11¼	11¼	
Ampal pf	.32	5.3		6	6	6	
AngSA	.63e	4.0	2116	15½	13½	15¾	+3
AngAG s	.51e	6.5	8941	7¾	6¾	7	+1¾
ApldCir			253	¾	⅝	⅝	— ⅛
Aritch			634	13	13	13	
ArlstG			137	3	2¾	2¾	
Arus			1283	1¼	1⅛	1¼	+ ⅛
Aryl un			66	8	8	8	
Asbestc			730	12	11	11⅜	+ ⅜
ASEA s			272	50¾	49½	49½	—1½
AspR un			41	4¾	4¾	4¾	— ⅛
Asdinns	.14e	1.4	393	10¾	10¼	10¼	— ⅛
AsdMtg			5	2½	2½	2½	
Astrdy			161	2¾	2¾	2¾	
B							
BKLA			4	7½	7½	7½	
Bocardi	1.28	3.7	18	35	35	35	
Badger	.72	3.0	5	24	24	24	
BncO pf	5.50	6.4	11	85½	85½	85½	
BcOkl pf	2.50	38.5	79	10	6	6½	—3½
BnTx cv			99	4¾	3¾	4¾	+ ¾
BkLou				21	21	21	
BKNH s	.72	2.3	148	32	31½	32	+ ½
BkSFr			51	8½	8½	8½	
BkStd			142	14½	14½	14½	
BnkgCtr			6728	12¾	12¾	12¾	+ ¼
BkMld pf	2.50	20.8	3	12	12	12	
BarbG h			156	2	1⅞	2	+ ⅛
BaryJw			127	10½	10	10	— ½
BsTnB				7¼	7	7¼	+ ¼
BaukNo	1.00	8.3		12	12	12	
Beaman	.03	.4	210	8½	8¼	8¼	— ¼
BearAu			438	8½	8¾	8¾	— ⅛
Beechm	.19e	3.1	5396	6	6⅛	6	
Bioasav			288	⅝	½	⅝	+ ⅛
Bloth un			257	20½	20¼	20½	+ ¼
BloTcC			1005	13¼	11¾	12¾	+1
Birdi pf	1.85	11.4	17	16¼	16	16¼	
Blau			68	3¾	3½	3½	— ¼
BluldSp	8.00c		22	20	19½	19½	— ½
Blyvoor	.66e	11.5	3404	5¾	4½	5¾	+1¼
Bonray			22	8½	8½	8½	
Bowalr	.16e	3.3	71	4¾	4¾	4¾	+ ⅛
Braids			3	5	5	5	
Braim a			38	1⅝	1⅝	1⅝	
Branif			2390	5¾	4½	5½	+ ⅞
BrenerC	.10e	1.2		8½	8½	8½	
BrenlB			65	9¾	9½	9½	
BradF h			30	3⅞	3⅝	3⅞	
BrokHil	.45r	4.8	2712	9¾	9⅜	9⅜	— ¼
Broghln			117	14	13¾	14	
BruceRb	.45	9.7	136	4¾	4¾	4¾	— ⅛
BckyF s			209	13½	12½	13½	+1
Buffels	3.42e	13.2	3315	26	23¾	26	+4¼
Buffel s			131	17	16½	17	+ ¼
Burmh	.33e	5.4	163	6⅛	6	6⅛	+ ⅛

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Treasury Bonds

Sept. 5

Maturity	Close Bid	Close Ask	Yield	Wk-ago yield
31.7.88	99 25/32	99 26/32	6.23	5.92
15.5.89	100 11/32	100 12/32	6.48	6.49
30.6.90	101 19/32	101 21/32	6.76	6.33
11.15.91	98 16/32	98 17/32	6.84	6.41
15.7.93	100 21/32	100 22/32	7.12	6.71
15.5.96	100 12/32	100 14/32	7.31	6.93
15.2.06	114 4/32	114 8/32	7.93	7.50
15.5.16	96 17/32	96 19/32	7.54	7.20

Source: Salomon Inc.

World Oil Surplus Of 2.6 Million Barrels Predicted

Agence France-Presse

PARIS — World oil production will exceed consumption by 2.6 million barrels a day in the third quarter, according to a report by the International Energy Agency published Monday.

The agency predicted that supply would reach 48.7 million barrels a day in the July-September period, while consumption would total 46.1 million. Countries in the Organization for Economic Cooperation and Development are expected to account for consumption of around 34 million barrels a day.

To date, only 0.8 million barrels a day are thought to be stocked by the 21 OECD countries. But the agency said an increase in stocks in floating storage and transit accounted for most of the remaining 1.8 million barrels of the estimated 2.6-million barrel surplus.

Production by the Organization of Petroleum Exporting Countries dropped from 19.8 million barrels a day in July to 19.4 million barrels in August and should average 18.6 million in the third quarter if OPEC cuts overall output in September to 16.6 million, the agency said. The reduction was agreed on last month in Geneva.

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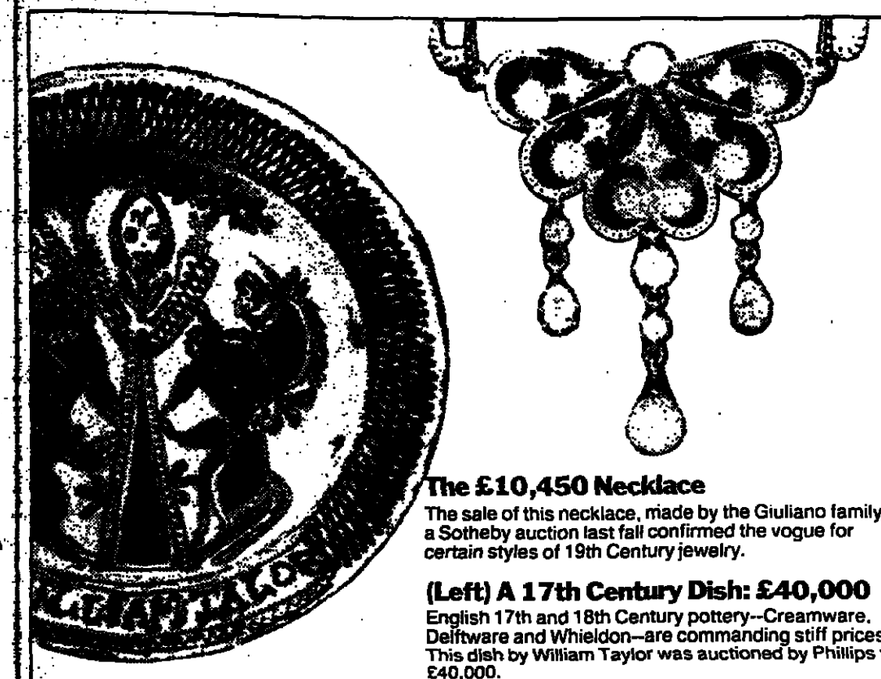
A Monthly Report for the International Investor

Herald INTERNATIONAL Tribune.

Monday, Sept. 8, 1986

PERSONAL INVESTING



The £10,450 Necklace

The sale of this necklace, made by the Giuliano family, at a Sotheby auction last fall confirmed the vogue for certain styles of 19th Century jewelry.

(Left) A 17th Century Dish: £40,000

English 17th and 18th Century pottery--Creamware, Delftware and Whieldon--are commanding stiff prices. This dish by William Taylor was auctioned by Phillips for £40,000.

A Coffee Pot for £9,000

This Creamware coffee pot brought £9,000 at the Phillips auction. Dating from the 1770s, it depicts three ladies standing in a garden.

Gold's Fitful Rise Gains Momentum

A convincing burst through the $400 mark cheers the bulls.

By John Meehan

New York

THE first indication that something was brewing came soon after New York trading rooms opened for business last Tuesday following a long holiday weekend. A brief spurt of activity suddenly pushed gold prices up $6 a ounce. This was followed by a slow, steady progression. Then shortly before the close, a frenzy of buying propelled gold over the daunting $400 barrier.

"It certainly went through with conviction," says John Norris, director of precious metals trading at Citibank. Adds Bernard C. Savaiko, a gold analyst at PaineWebber, "I thought gold would have some trouble at the $390-$400 level, but it went through with a minimum amount of ease."

Now that prices are significantly above last Tuesday's closing, the highest they have been in three years, it is apparent that the effortless leap over $400 marked the collapse of an important obstacle in a market that historically has been driven by psychological themes more than concern over supply and demand.

Moreover, it underscored the gentle, if tedious, gains that gold has made since February 1985, when it stood at $281.20. The improvement is almost astonishing given the protracted, downward pressure on commodity prices in general and the heavy volume of gold sales by the Soviet Union and Middle East institutions to compensate for weakening oil prices.

Yet gold's resiliency has virtually gone unnoticed by most investors. After reaching a record high of $875 in 1980 thanks to double-digit price growth and weak financial markets, gold lost a considerable amount of luster as inflation ebbed. And precious metals have been hard-pressed to compete with the big returns in the bond and stock markets ever since.

Even pleadings by respected analysts that a rally was in the making were ignored by most investors. "I've spent the last year talking up the virtues of holding gold," says Steve Chronowitz, director of futures research at Smith Barney. "The long-term outlook is very positive."

Few analysts have been as prescient as Mr. Chronowitz. But many more caught the gold bug over the summer as prices passed the $350 mark in July and ended the month at $365 an ounce. The spectacular rise in platinum prices that has been fueled by fears of a cut-off of supplies from South Africa has been the most prominent factor sustaining gold's upward momentum.

But analysts point to longer term reasons as well. Expectations that inflation will rise now that the steep drop in oil prices is over are of paramount concern. Without this safety valve on price growth, many economists fear that the easier monetary policy being used by the U.S. Federal Reserve to prime the American economy is bound to produce an inflationary

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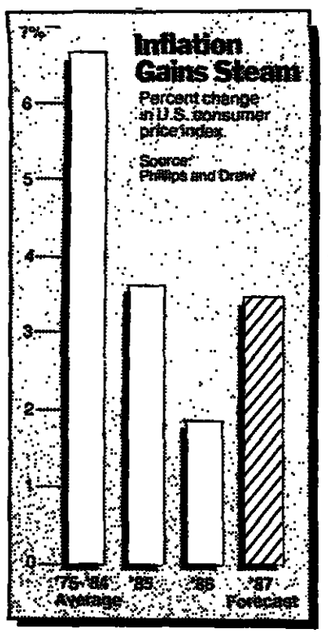


FOCUS

Inflation Worries Distract Investors

OLD rumors die hard in the financial markets. Fresh reports last week about financial ministers shuttling among capitals touched off more speculation about an internationally coordinated interest-rate cut. But the reports failed to inspire optimism in bond investors, who instead focused on an outbreak of inflation anxiety. The shift in market psychology seemed likely to complicate the U.S. Federal Reserve's campaign for lower rates worldwide.

The fears flared when Washington announced Aug. 30 that the July trade deficit had widened to a monthly record of $18.04 billion. "That number was worse than expected across the board, and really quite disappointing," says Alan Greenspan, chairman of Townsend-Greenspan and former chairman of President Gerald R. Ford's Council of Economic Advisers.

Although conventional wisdom holds that every 10-percent drop in the dollar produces a 1-percentage point rise in inflation, U.S. prices have remained fairly stable despite the U.S. currency's drop since the Group of Five meeting last September. Some economists say exporters to the United States have been letting their profit margins erode rather than raise prices. That has been given as one reason the trade deficit has refused to narrow.

THE LARGE July figure raised concern that exporters, with a firm hold on the U.S. market, would see their way clear to increase prices, especially if the dollar were to fall further, Mr. Greenspan says. Although this anxiety had been a periodic theme in financial markets over the past year, recent rises in commodity prices, including those for oil, and vague signals that the U.S. economy might pick up in the second half brought the fear to the forefront. The result was that yields on the bellwether 30-year Treasury bond rose about ⅜ percentage point over the week.

Though few analysts believe that inflation rates are about to erupt, the events of last week give them pause. Michael Rosenberg, head of international fixed-income research for Merrill Lynch, put the interest-rate issue for investors clearly: "One has to wonder if we are slowly approaching the lows for this part of the cycle."

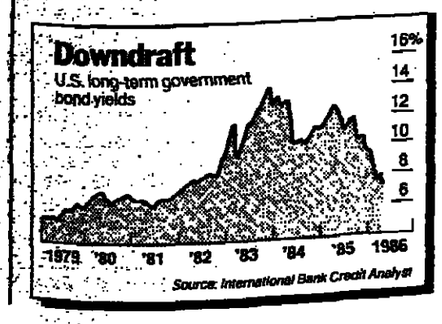
The revival of inflation fears complicates the Fed's maneuvering for another round of cuts. Many policy-makers feel that when inflation rates actually start to head upward, it's difficult to subdue them. "Another cut is entirely possible, but once the Fed sees inflation coming back, that's when they'll quit," says Kathleen Cooper, chief economist at Security Pacific bank in Los Angeles.

THE CREDIT market's anxiety also makes another unilateral cut by the Fed even less likely. Despite intense pressure from Washington, neither West Germany nor Japan participated in the Fed's two reductions over the summer that brought the U.S. discount rate to 5.5 percent, its lowest level since 1977.

But another unilateral cut might stampede investors out of the dollar, creating the kind of slide that neither Washington nor its major trading partners want. If the Fed moves on its own again, it "could have undue effects on the dollar," agrees Stephen H. Axilrod, chief economist for Nikko Securities in New York and a former Fed official.

In any event, the next cut in interest rates will have little to do with economics, observers say. As November elections draw near in the United States, the Fed faces pressure from the administration to show that it is acting to spur the economy. When confronted with a sluggish economy, "it's incumbent for policy-makers to be seen doing something," notes Mr. Greenspan.

The Bank of Japan and the Bundesbank find it increasingly difficult to resist interest-rate reductions of their own, even though neither country feels the need to reflate. Japan worries that an easier monetary would add fuel to the already intense speculation in shares and real estate, while Bonn feels its economy is recovering at a satisfactory rate. But neither would like to see their currencies soar to burdensomely high levels in the wake of unilateral U.S. cut. □



Stalking Trends in Collecting

Staying ahead of style is difficult but rewarding.

By Lynne Curry

London

STANDING before the display cases in her antique shop on London's fashionable Kensington Church Street, Irina Laski studies the assortment of glass vases, stylized tea sets and silverware. Then she points with pride to a peculiar pair of floral-shaped gold, ruby and diamond earrings that also can be joined together to make a brooch.

"Nobody else was buying it five years ago," says Miss Laski, co-owner of John Jesse & Irina Laski Ltd. "It was actively disliked. Some called it vulgar, but one could get a fabulous piece for the scrap value of the material."

At first glance, her excitement seems misplaced. But Miss Laski is quick to note that the strong design of this cocktail jewelry of the 1940s already is catching the attention of a growing number of collectors in Italy and the United States. And for Miss Laski, that's important. "We pride ourselves to be first on any trend," she says. "Our job is to spot them before other people."

Indeed, predicting a collecting trend is not only satisfying, but profitable for professional dealers. And similar opportunities are open to perceptive individuals provided they have an intimate knowledge of the workings of the market, a good eye and a healthy dose of luck.

"It's a little hard to predict," acknowledges Julie Collier, assistant vice president in charge of collectibles at Christie's in New York. "It's like trying to guess the stock market. Who really knows what is going to happen?"

Nonetheless, while some collectors buy whatever catches their eye, experts say there are some guideposts that can be helpful in trying to determine the next trend.

Of paramount importance is the publicity that any collectible receives. By far, museums have the biggest reach when it comes to trend-setting. An exhibition by a major museum often can herald a change in how a certain era or artists are viewed.

"Some exhibitions have been responsible for quite considerable trends in collecting and taste in general," says Michael Darby, deputy director of London's Victoria & Albert Museum. For example, an exhibition of the works of Aubrey Beardsley that the museum held about 20 years ago for renewing interest in the 19th-century British book illustrator.

"It was tremendously influential," Mr. Darby says. "It started off a Beardsley craze." Indeed, prices for Beardsley's best work fetched less than £1,000 (about $1,490) in the early 1960s. Today some of his illustrations are valued at £50,000."

Already interest is focusing on the upcoming exhibition in New York by the Metropolitan Museum of Modern Art entitled "In Pursuit of Beauty: the Americans and the Aesthetic Movement." Scheduled to open in October, it will be devoted to the display of American objects from the 1870s and 1880s, focusing on paintings, sculpture and the decorative arts of that period, including stained glass, tiles, metalwork, and furniture. Some of this work has been ignored by the collecting world.

"We've received a number of letters from people asking whether they could loan a piece of if we could identify an object from that period," says Alice Cooney Frelinghuysen, assistant curator of American decorative arts at the Metropolitan.

Galleries also are critical in launching trends. And, experts say, they are more likely to reflect the mood of the collecting community quicker than a museum. In fact, astute collectors often watch the leading galleries to help determine where the next major artistic trend may emerge. By contrast, auction houses, despite the publicity they generate, are considered less useful since they generally deal in already established markets.

"When certain collectors have known we're doing an exhibition of particular artists, they go and buy the works of those artists," says Rachel Kirby, exhibition coordinator of London's Whitechapel Art Gallery.

In 1972, London's Fine Art Society held an exhibition entitled "The Aesthetic Movement and the Cult of Japan," depicting the British response to a growing awareness of Japan from about 1850 to 1900. Some of the pieces exhibited typified the decorative arts of that period, including pictures, metalwork, furniture, ceramics and photographs.

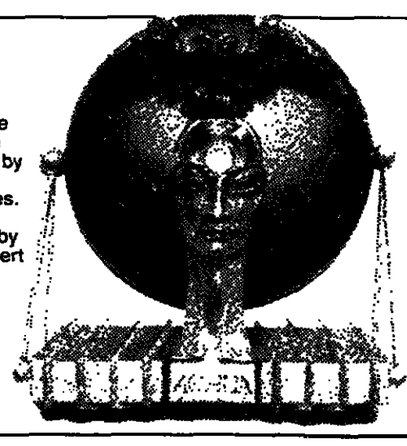
"Since 1972, it's become very much a field for serious collectors," says Andrew McIntosh Patrick, managing director of the Fine Art Society Ltd. "There was a lot of reaction to the exhibition. It made prices higher and got a lot of people interested, and now the Met is having an exhibition."

Finally, books about a particular genre of work can arouse public interest and tend to legitimize an area for collectors. "A book makes a buoyant market," Miss

Continued On Page 15

The Artist As Jeweler

Recent exhibits have given impetus to the collecting of jewelry by well-known artists, such as Kevin Coates. This Coates brooch was commissioned by the Victoria and Albert Museum.



UPDATE

A Record for New Issues

THE downdrafts that swept through the stock market in the United States early last month may have given investors pause. But it failed to staunch the flow of initial public offerings. Three weeks ago, 1986 gained the dubious distinction as a record year for first-time stock issues.

As of August, more than 400 IPOs had raised $12.6 billion in the market to edge out the previous record of $12.5 billion that was set in 1983, according to Susan Gallant, editor of Going Public: The IPO Reporter, a newsletter that has tracked the market since 1969. And there are still 190 in initial registration with the Securities and Exchange Commission.

Although the number of IPOs dropped to 66 in August from 78 in July, Miss Gallant says new issues still raised more than $2 billion, despite uncertainties about the prolonged stock market rally. "The pace slowed down a little bit, but not that much," she says.

The volume appears to confirm a turnaround in the new-issue market, which suffered a major setback in 1983 when investors bought up speculative, high-technology issues only to see them lose ground as the technology sector floundered.

Some investors, fearful of a similar scenario, are raising concerns about the quality of new issues. Although Miss Gallant acknowledges that many of the new issues that currently are in registration may not be as appealing, she says that underwriters are cutting the size and the prices of new offerings accordingly. "The investor isn't just snapping them up," she says. □

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BOURSES

Why Europe's Banks Are Booming.

This sector shows no sign of fatigue.

By Peter Field

London

FEW sectors of European business have benefited as thoroughly from the passing of Europessimism as the major banks. As lenders and underwriters of securities, they have cashed in on industry's rush to raise funds. As brokers and traders, their role as middlemen in resurgent world markets has generated fat commissions. In retail banking, they have profited from a revival of consumer confidence.

It is small wonder, then, that the banking sector has ranked highly among the best performers of the European rally. Indeed, given the heavy presence that banking stocks have in the major market indexes, they have been the linchpin of the rally. If the world economy and markets remain healthy, the question is less whether European bank stocks will continue to perform well as which will be the best performers.

The bank shares in Europe's three major financial markets all seem to have much going for them. The West German and Swiss banks have little exposure in the problem loans to the Third World and energy industry that burden their counterparts in other countries, and they have huge hidden reserves. The British clearers are benefiting from a buoyant personal financial sector that shows no sign of running out of steam.

The major source of uncertainty is deregulation and increased competition from emerging domestic institutions or from foreign banks. By "Big Bang" on Oct. 27, deregulation will have gone much further in the British markets than in Switzerland or West Germany.

The British banks have been obliged to make expensive acquisitions or investments to be able to compete in the liberalized equity and government securities markets that will exist after Big Bang.

The major Swiss and West German banks have less to fear from the much more modest and piecemeal changes in the financial system in their own countries.

And as so-called universal banks, they already are structured to compete across the board in underwriting, trading, investment management, and commercial and retail banking.

Most importantly, they have had long experience in the securities markets, especially the equity markets, which their British counterparts are only just being allowed to enter.

BUT from the investor's point of view, the British banks offer an advantage: their accounting is more clear, so their true financial positions can more easily be determined. Analysts and fund managers find it next to impossible to determine the actual capital and reserve position of the Swiss banks or the current value of the extensive industrial holdings of the leading West German banks.

The British banks — National Westminster, Barclays, Lloyds and Midland — also are attractive at the moment, with prospective price-earnings multiples for 1986 of 5 to 6, compared with a range of 7 to 9 for the U.S. money center banks, about 10 to 12 for the Swiss banks, and around 11 for the most expensive West German banks, Deutsche and BHF-Bank.

"The British clearers are extremely cheap investments," says Stephen Butt, head of Morgan Stanley Asset Management in London. "The big Swiss and German banks are also good investments, but less demonstrably than the U.K. banks because their accounting principles are much more opaque."

Here are details on how the banks are faring in each of the three major markets:

Britain

Powering British bank earnings this year has been the domestic sector. National Westminster has been the most successful here, with domestic profits rising 57 percent in the first half of 1986 against only 5 percent for international business.

There is no immediate sign of a letup in personal lending. Stockbrokers Phillips & Drew, for instance, are forecasting an increase in the ratio of debt to income from 82 percent last year to 87.8 percent this year and 93.4 percent in 1987. That is up from 60 percent in 1979.

"One's got to assume the personal sector will slow down," observes Rod Barratt, bank analyst at Hoare Govett, "but that assumption has been wrong for the last eight years."

There are some worries in this area of the British bank portfolios. Sir Timothy Bevan, chairman of Barclays, warned in August of the dangers of expanding lending to individuals much further. Barclays deliberately restrained its growth in the first half of 1986, a major reason for its disappointing 8-percent profit increase, the lowest of the big four.

But Sir Timothy's comments attracted some cynicism in the City, since Barclays now seems certain to be beaten to the £1-billion earnings mark this year by National Westminster. But the point cannot be ignored.

The clearers are facing increasing competition at the retail level from the building societies and TSB Bank, formerly the Trustee Savings Bank, which is due to raise around £1.25 billion ($1.86 billion) in an initial public offering this month. But if the British economy continues along its path of modest growth, and interest rates ease further, the major banks must continue to prosper.

For now, major credit card companies, owned by the big banks, are still charging customers an annual rate of around 30 percent. "The consumer still seems willing to pay the price of borrowing," noted John Horseman, investment manager at BA Investment Management International Ltd. in London.

NatWest seemed to have a slight edge over Barclays among the preferences of fund managers and analysts. Observed Nick Worthington, bank analyst at Morgan Grenfell Securities: "NatWest is a very efficient machine, it's very professional and it's not swayed by short-term market considerations."

West Germany

In West Germany, profits at the big banks are being swollen by the continuing strength of the stock market, which has boosted commission income. Last year, they registered net profit increases of from 18 percent for Dresdner Bank, to 63 percent for Deutsche Bank.

Greenwell Montagu & Co. predicts another good year, and sees prospects for further advances next year. And according to Susanne Owen, West German stocks analyst at Hoare Govett: "They're an extremely good medium or long-term investment."

The problem is assessing exactly how good, because of the scale of their off-balance-sheet earnings. West German banks are required to declare only commission income in their securities business, and that is relatively small. The bulk is recorded as trading income but it is set off against other expenses and there is no reliable method to determine it. The banks also have large industrial holdings that are carried at well below market value.

Deregulation probably will leave the principal banks relatively unscathed. True, foreign banks are being allowed into areas previously the preserve of locals, such as the federal bond consortium and lead managements of Deutsche-mark-bond issues.

But West German banks also are being allowed more freedom in the market for floating-rate issues and interest-rate swaps. "Companies are very loyal to their banks in Germany," said Ms. Owen. "I think the foreign banks will find it quite difficult to break into the market."

Few analysts and fund managers have any doubt about who is the toughest competitor in the West German market. "Deutsche Bank stands head and shoulders above the others," said Tony Thomson, investment manager at American Express Asset Management.

Switzerland

Working out the true value of Swiss bank stocks is a daunting exercise. But most analysts reckon they are trading at price-earnings multiples of from 10 to 12, about the same as the overall market, and are therefore good buys.

According to Bryan Crossley, Merrill Lynch's senior international equity specialist, the Swiss banks' premium to their British and American competitors "is justifiable in the light of the undoubted capital strength of the Swiss banks and their limited" and heavily provided for exposure to debts to developing countries.

Analysts do not see any serious threat to the hegemony of Union de Banque Suisse, Swiss Bank Corp. or Credit Suisse in the Swiss market. Few observers fear that recent insider-trading cases or the flap over the handling of the accounts of the former Philippine president, Ferdinand E. Marcos, will damage the banks' reputation for confidentiality.

"The assumption that much of the Swiss banks' money comes from the Mafia or African dictators is wrong," argued one fund manager. "It's far more likely to come from Belgian dentists." If that is so, the $500 billion of third-party funds that Salomon Brothers estimates the leading Swiss institutions manage represents an enormous number of teeth.

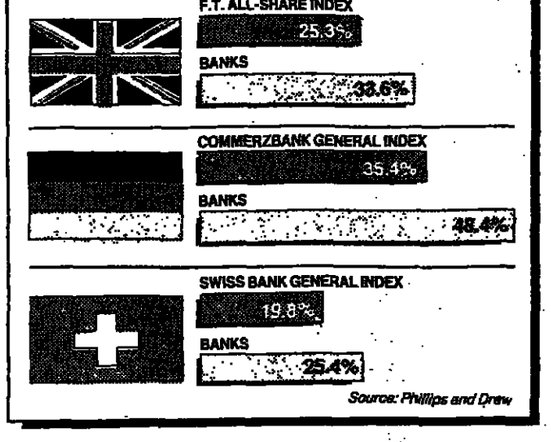
The key to the success of the Big Three is the balance among the different components of their earnings, which leads Salomon Brothers to conclude in some recent research that they are "the universal banks for all seasons."

They have "not only achieved steady growth in reported earnings-per-share," said Salomon, "but have also displayed a superior balance of revenue growth among their commercial banking, securities and portfolio management functions."

The only drawback about Swiss bank shares is their cost; UBS shares were recently trading at 5,880 Swiss francs, or about $3,607 at current rates. □

Market Leaders

Performance of overall indexes and banking stocks over 12 months ended July 29.



Source: Phillips and Drew

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The International Herald Tribune

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GOLD

Gold's Rise Begins to Gain Momentum

Continued From Page 11

by-product. And the prospect that central banks in Japan and West Germany may be forced to pursue a similar path heightens the concern, they say.

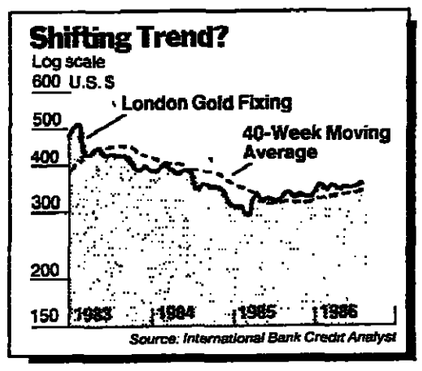
The renewed interest in gold, observers note, also coincides with growing nervousness about the prolonged rallies in the financial markets. Investors are increasingly tempted to diversify their portfolios. Indeed, New York gold traders say they received a number of inquiries from investors looking to trim their exposure to financial instruments after the bond and stock markets faltered last week. "Right now people see a window of opportunity," says Citibank's Mr. Norris.

Despite the change in attitude in the marketplace, few observers foresee a quick runup in gold prices in the near future. Traders point out that the market still lacks the depth that helped the previous long-term rally in the late 1970s. And they argue that the mere anticipation of higher inflation may not be convincing enough to investors.

"The ultimate reason is not there at the moment," says Frederic S. Bogart, senior vice president and gold trader for Republic National Bank of New York.

In the absence of clear-cut signals, gold still faces significant hurdles in the weeks ahead. John Murphy, a technical analyst for the Commodities Research Bureau, sees resistance building at the $450 level. "I think there will be a struggle to get through $450," he says. "The market is getting somewhat overheated." Once prices eventually edge above this point, Mr. Murphy cautions, the market will then confront a more formidable barrier at $500.

Analysts acknowledge that the climb will not be without disappointments. Most expect periodic setbacks in keeping with a pattern of fits and starts that gold established last year. PaineWebber's Mr. Savaiko and James Ainsworth, a gold share analyst with Rowe & Pitman in London, see a short-term consolidation between $390 and $400. William O'Neill, director of research for Elders Futures Inc. in New York, puts the downside risk at about $350.



Still, many expect gold to regain the lost ground and make even further strides by the end of the year. Neil Buxton, a gold analyst at Shearson Lehman Brothers in London, says prices may range from $425 to $450 by next month and could go as high as $500 a ounce next year.

Likewise, James Sinclair & Co., a British commodities broker, has been telling its clients to expect from $500 to $600 a ounce in 1987. Mr. Savaiko takes a more conservative view. He sees a range of $420 to $450 toward the end of the year, but is reluctant to hazard a guess beyond December.

Martin Armstrong, chairman of Princeton Economic Consultants and a respected technical analyst, sees the recent price gains in the context of a long-term rally. Although he too expects additional corrections, he says prices may rally up to $600 by April 1987. After another correction in 1988, he then expects the rally to peak in 1989.

More importantly, Mr. Armstrong says, the price of gold will easily surpass the previous 1980 record. As a result of the publicity that surrounded the last major rally, Mr. Armstrong says there are about 10 times as many gold investors as there were in 1976, and the increased volatility sets the stage for a significant rise in prices.

He believes gold could easily hit $1,500 an ounce and says $3,000 is even in the "realm of reason" if the market is convinced of a rally. "The upward movement will be like a sling shot," he says. "Prices will move much faster than anyone thinks." □

United Press International

At the record spot price of $422.80, this 400-ounce block of gold is worth $169,120.

The Shining Offspring of U.S. Firms

By William McBride

New York

WHEN worsening political unrest sent gold-bugs scurrying out of South African shares last year, many took refuge in a handful of U.S. issues known in the mining business simply as "the spinoffs." These gold-mining companies were part of larger, diversified companies until their parents decided in recent years to set them up as separate businesses.

The spinoffs have done well on their own. "Gold has been so strong in the last few months that many of these stocks are trading at all-time highs," notes Jeffrey Nichols, president of American Precious Metals Advisors. Helping their performance was the relatively small number of shares available; the parent companies generally retained 40 percent to 90 percent of the shares of their offspring.

Chief among the spinoffs' attractions are low or declining operating costs and rising output. Thanks to new extraction techniques, their production cost averages around $200 per ounce of gold, giving them more profit punch than some better known North American mining operations. San Francisco-based Homestake Mining, for example, has production costs of around $300 an ounce, notes Mr. Nichols.

The principle motive behind the creation of the spinoffs was the parent companies' belief that their gold-mining subsidiaries would be worth more as separately traded companies. "The corporations figured they could sell them at higher (price/earnings) multiples because of the South Africa problems," says Brad Heaston, a portfolio manager at United Services Advisors Inc., a mutual fund company. In some cases, selling off some of the gold subsidiaries helped the parents "to clean up their balance sheets," he says.

The first spinoff was Freeport McMoRan Gold, which was given a separate corporate identity in June 1985. Freeport McMoRan Inc. was among first companies to use spinoffs to maximize its natural resource operations.

Ranked as one of the most successful spinoffs was last year's distribution by Pennzoil of shares in its Battle Mountain Gold Co. Issued to Pennzoil holders on a one-for-one basis, Battle Mountain shares began trading at $8.50 each. It has been trading recently at about $18.

"Battle has had very favorable publicity," explains William G. Seidenberg, an analyst at Smith Barney. Besides its North American properties, the company is investing about $6.5 million to develop 60,000 ounce-per-year mine called Pajingo in Queensland, Australia. Pajingo could have "extraordinarily low" production cost of about $100 an ounce, says Mr. Seidenberg.

Daniel Roling of Merrill Lynch figures that every $10 increase in the price of gold adds 3.5 cents a share to the company's earnings, assuming the price rise lasts at least a year. In the last 12 months, Battle earned 42 cents a share.

Mr. Seidenberg has a rough gauge for comparing the relative attractiveness of gold shares. He multiplies the number of shares outstanding times the price per share, then subtracts the long-term debt. The result is then divided by the number of ounces of gold the company is expected to ship in 1986.

At the end of July, when gold was about $340, Battle Mountain scored $2,240 under Mr. Seidenberg's formula. It was followed by Echo Bay at $2,064 and Freeport McMoRan Gold at $1,687. Trailing was Newmont Gold at $1,831 and St. Joe Gold at $1,178.

St. Joe Gold is not as well known as some other spinoffs, Mr. Seidenberg says. Unease about the company's dependence on its mines in Chile also has contributed to investors' wariness. But Mr. Seidenberg notes that St. Joe has heavily insured the Chilean operations against possible expropriation or other confiscatory measures.

Loading ore at Newmont's Carlin mine.

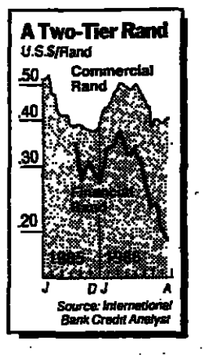
Newmont Gold's rating is held down by the more than $140 million of long-term debt on its books, most of which is owed to its parent. Newmont Mining gave its gold offspring "a lousy looking balance sheet" before selling 5 percent of the company to the public in June, says Mr. Heaston. That was one reason many investors balked at the company's initial plan to sell the 5 million shares of Newmont Gold to the public at $12 to $15 each. In the end, the shares were offered at $9.50. Now they are trading in the $13-$14 range.

Newmont Gold's Carlin property in Nevada looks like a "very good long-term mine," says Frederick G.P. Thorne of Keystone Precious Metals Holdings in Boston. "It offers what investors look: low production cost and the prospect of significantly increased production over the years." □

The Spinoffs

Name and Parent	Price on Aug. 29
Battle Mountain Gold / Pennzoil	$18.25
Echo Bay Mines / Unimercal	$20.13
Freeport McMoRan Gold / Freeport McMoRan	$11.75
Newmont Gold / Newmont Mining	$13.38
St. Joe Gold / Fluor	$11.75

South Africa: High Yields, Risks



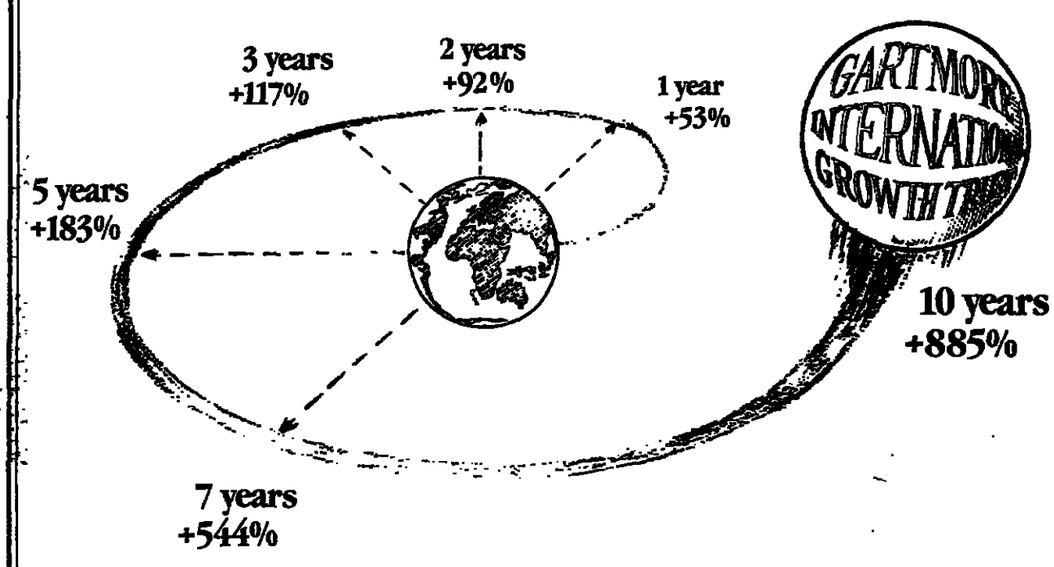
South African gold shares, some analysts say, fall into two categories these days: highly risky and outright speculative. Yet, brokerage houses in New York and London report that a few investors with strong nerves again are nibbling at these shares, enticed by high yields as well as buoyant gold prices.

Yields, calculated by dividing the annual dividend by the purchase price of the shares, shot up when many foreigners deserted the South African market. Though share prices have risen as much as 25 percent from their lows, yields remain attractive because of the way South Africa's two-tier foreign exchange system operates.

To stem capital flight, South Africa introduced last fall the financial rand — known to money managers as the "rubber rand" — for transactions by non-South Africans. It trades at a discount of about 40 percent to the commercial rand. Foreign investors pay for their shares with the financial rand, but the dividends are paid by the mining company in commercial rand.

That translates into attractive yields even on some top-quality shares such as Kloof, an institutional favorite that mines one of the highest-grade gold ores in the world. Merrill Lynch estimates Kloof's dividend yield over the next 12 months at 9.5 percent, assuming an average gold price of $375 an ounce and little change in rand rates. Bracken, a riskier mine with little more than three years of production left, would yield 32 percent. The calculations include a 15-percent withholding tax on dividends.

South African gold mines are reporting record revenue, so their payouts seem in little danger. But the political risks are another story. Observers such as Jeffrey Nichols of American Precious Metals Advisors believe that the current political system "will be around for quite some time." But Patrick Magilligan of Merrill Lynch notes that "a lot of people are still skeptical." □



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* All figures to 1st August 1986 Source: Money Management. Basis offer to offer income reinvested. Sterling converted.

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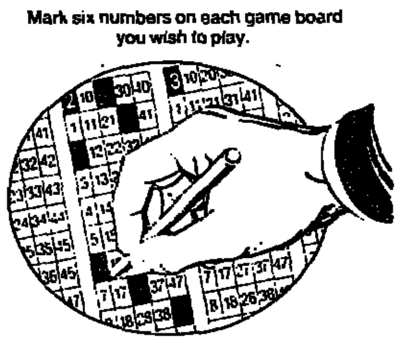

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STRATEGY

The Mood In Brussels Is Upbeat

Brussels

MONEY managers are always on the lookout for smaller markets to add spice to their portfolios. Brussels, where the market has benefited from the stable image of Prime Minister Wilfried Martens' center-right government and projections of respectable real economic growth of 2 to 2.5 percent, falls into that category for many fund managers.

So far, the market has risen more than 35 percent in local currency and double that in U.S. dollar terms. Some foreign investors figure that the Martens' brand of austerity is laying the groundwork for an even better showing next year, especially if the government follows through on plans for giving tax breaks to investors as part of a new pension scheme.

The foreign interest has coincided with a substantial increase in the size of the Brussels exchange. Market capitalization tripled between 1982 and 1985, topping one trillion Belgian francs (about $24 billion). "Obviously, it's still a small market, and it's a small part of our investment," says Madelaine Hall, an assistant director at Schroders fund management in London. "But we think the prospects are quite favorable there."

The outlook inspires local boosters such Roland Leuschel, who advises institutional investors at Banque Bruxelles Lambert, to rate the Brussels market "as among the best in the world."

Some analysts predict a striking improvement in business profits this year. "We'll see some good surprises in corporate earnings," forecasts Koenraad Foulon of American Express Asset Management in Brussels. He said that some companies could show increases of as much as 10 to 30 percent.

In the near term, however, he says that other markets may offer better opportunities. "There are other countries where I would put my money now, and then come back to Belgium" next year, Mr. Foulon says.

So far this year, the best performing stocks have been the insurance sector, up on the average by 66 percent; retail stocks, with GB Inno BM up 77 percent and the supermarket chain Delhaize up 82 percent, and utilities such as EBES and Intercom.

Looking ahead several months, BBL's Mr. Leuschel predicts that consumer-related issues such as GB Inno, Wagons-Lits, Delhaize and the pharmaceutical group UCB will continue to be among the best performers because of an expected pick-up in consumer spending. "We will have a little consumer boom, which is brand new for Belgium," he says. □

Steve Dryden

Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in August.

New York Stock Exchange:
Compiled by Media General Financial Services. Prices in dollars

GAINERS	Percent Gain	Price Aug. 29	LOSERS	Percent Loss	Price Aug. 29
Texas American Bancshs.	66	24.88	United Merchants	28	11.50
Beneficial Corp.	52	72.13	Raychem Corp.	21	73.25
Ex-Cell-O Corp.	51	77.63	M.A. Hanna	18	18.75
Texas Commerce Bancshs.	41	26.75	Perry Drug Stores	17	14.88
Grolier	39	12.88	Compugraphic Corp.	17	15.75
Noble Affiliates	38	11.00	Dorsey Corp.	17	20.75
American S&L Assoc. Fla.	37	18.50	Intelogic Trace	17	12.63
Asarco	37	14.50	Floating Point Syst.	16	13.63
Gelco	35	18.00	Zayre Corp.	16	28.88
Crown Zellerbach	34	49.88	Cannon Group	16	30.00

American Stock Exchange:

GAINERS	Percent Gain	Price Aug. 29	LOSERS	Percent Loss	Price Aug. 29
Viatech	69	12.25	Triangle Corp.	25	12.75
Philippine Long Distance	56	10.50	Continental Materials	18	23.88
Astrex	48	10.00	Greenman Brothers	18	15.00
Home Shopping Network	32	119.00	CDI Corp.	16	26.13
General Microwave Corp.	28	16.38	Gould Investors	16	35.00

Over the Counter:

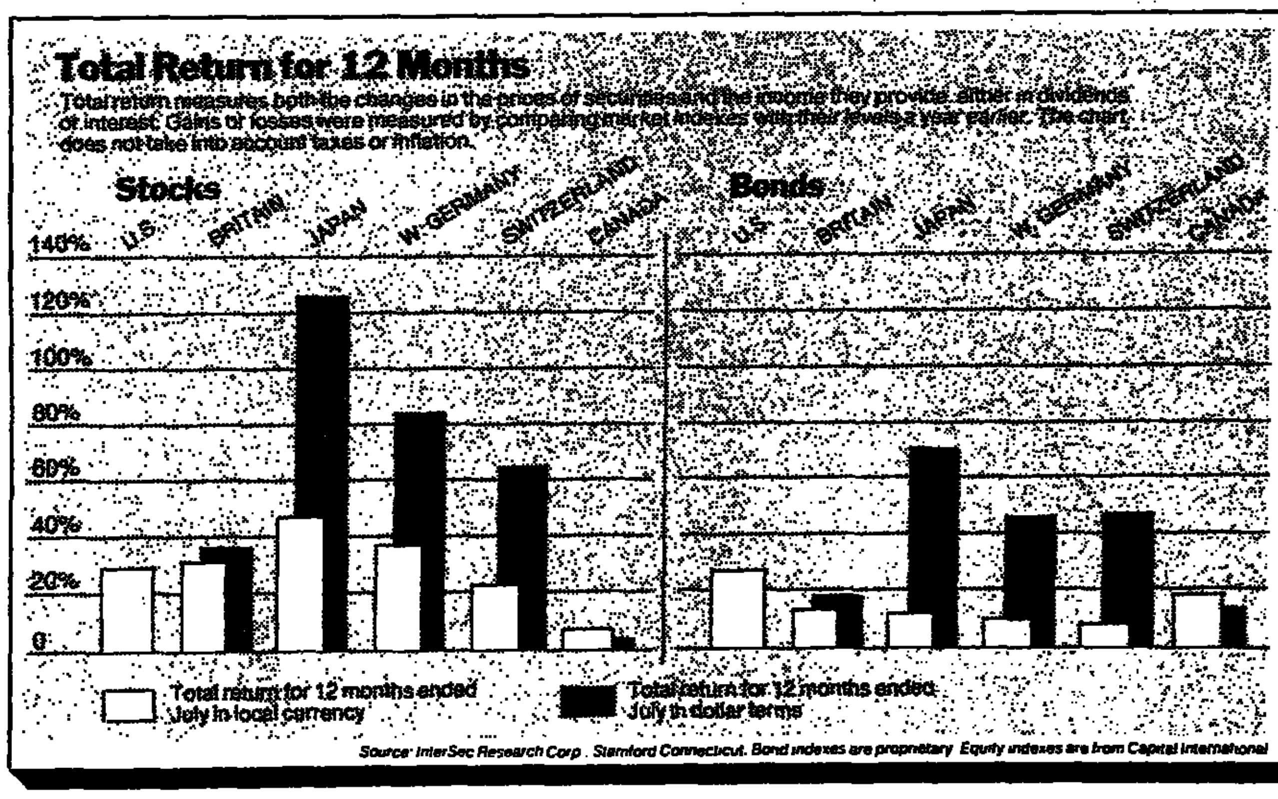
GAINERS	Percent Gain	Price Aug. 29	LOSERS	Percent Loss	Price Aug. 29
Smithfield Foods	64	37.25	Days Inn Corp.	50	12.50
Home Owners Fed. S&L	48	46.00	Insituform East	32	15.00
Telemation	46	10.25	Cerberonics Inc. A	29	10.50
Coated Sales	43	10.00	Systematics	28	17.75
Control Resource Ind.	43	19.25	John Adams Life Corp.	26	11.25

London Stock Exchange:
Compiled by Morgan Stanley Capital International. Prices in pence

GAINERS	Percent Gain	Price Aug. 29	LOSERS	Percent Loss	Price Aug. 29
Lasmo	33	130	Allied Irish Bank	23	198
Ranks Hovis McDougall	28	268	Bank Ireland	23	178
Britoil	24	131	Guest Keen Nettlefolds	18	282
Tricentrol	21	58	Boots	14	218
Lloyds Bank	21	467	Ferranti	13	106
London International	20	228	BSR International	12	73
Dixons Group	16	382	Ultramar	11	143
British Petroleum	16	660	STC	11	144
Marley	16	130	Sedgwick	6	343
Shell Trading	16	926	TI Group	6	477

Tokyo Stock Exchange:
Compiled by Morgan Stanley Capital International. Prices in yen

GAINERS	Percent Gain	Price Aug. 29	LOSERS	Percent Loss	Price Aug. 29
Mitsui	56	795	Toa Nenryo Kogyo	24	1,440
Mitsubishi Corp.	53	1,300	Cosmo Oil (Maruzen)	19	390
Toshiba Corp.	44	651	Toyo Kanetsu	19	353
Yamaichi Securities	43	1,990	Nippon Oil	16	1,030
NEC	42	1,820	Mitsubishi Oil	16	450
Taisei Corp.	42	850	Secom	15	8,780
Tobu Railway	41	930	Fujita Tourist (Kanko)	15	350
Kyowa Hakko	40	2,610	Skylark	15	3,650
C. Itoh	37	879	Osaka Gas	14	500
Nikko Securities	36	1,990	Kinki Electrical	13	2,840



Source: InterSec Research Corp., Stamford Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 5 Sept. 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) – daily; (w) – weekly; (b) – bi-monthly; (r) – regularly; (i) – irregularly.

Fund	Currency	Value
AL MAL MANAGEMENT		
-(w) Al-Mal Trust, S.A.	$	248.05
BANK JULIUS BAER & CO. Ltd.		
-(d) Baerbond	SF	904.05
-(d) Conbar	SF	1477.00
-(d) Equibaer America	$	1331.00
-(d) Equibaer Europe	SF	1618.00
-(d) Equibaer Pacific	SF	1407.00
-(d) Grobar	SF	1147.00
-(d) Stockbar	SF	1880.00
-(d) SFR-BAER	SF	991.00
BAII MULTICURRENCY		
-(r) Multicurrency US$	$	1,106.15
-(r) Multicurrency Ecu	ECU	1,086.69
-(r) Multicurrency Yen	YEN	202,266.00
BNP INTERFUNDS		
-(w) Interbond Fund	$	174.11
-(w) Intercurrency US$	$	10.70
-(w) Intercurrency DM	DM	30.53
-(w) Intercurrency Sterling	£	10.15
-(w) Interequity Pacific Offer	$	18.60
-(w) Interequity N. Amer. Offer	$	11.32
BANQUE INDOSUEZ		
-(d) Asian Growth Fund	$	18.51
-(w) Diverbond	SF	87.85
-(w) FIF-America	$	19.91
-(w) FIF-Europe	$	26.19
-(w) FIF-International	$	16.19
-(w) FIF-Pacific	$	31.06
-(w) Indosuez Multibonds A	$	135.90
-(w) Indosuez Multibonds B	$	236.48
-(d) Indosuez USD (M.M.F)	$	1089.94
-(w) IPNA-3	$	1000.00
BRITANNIA, POB 271, St. Helier, Jersey		
-(w) Brit.Dollar Income	$	0.904*
-(w) Brit.$ Manag.Curr	$	12.50
-(d) Brit. Intl.$ Manag.Portf	$	1.572
-(d) Brit. Intl.£ Manag.Portf	£	156.4
-(w) Brit. Am. Inc. & Fd Ltd	$	1.271
-(w) Brit.Gold Fund	$	0.744
-(w) Brit.Manag.Currency	£	17.11
-(d) Brit. Japan Dir Perf. Fd	$	2.632
-(w) Brit.Jersey Gilt Fund	£	0.226*
-(d) Brit. Okasan Glob.$	$	12.25
-(d) Brit. World Leis. Fund	$	1.500
-(d) Brit. World Techn. Fund	$	0.934
BROADGATE INTERNATIONAL FUND		
-(d) $ Money Market	$	10.57
-(d) Non-$ Money Market	DM	26.20
-(w) $ Bond	$	11.32
-(w) Non-$ Bond	DM	27.47
-(w) Global Equity	$	13.21
-(w) Global Bond	$	10.46
-(w) Global Bond & Equity	$	10.62
CAPITAL INTERNATIONAL		
-(w) Capital Int'l Fund	$	63.35
-(w) Capital Italia SA	$	34.6*
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citinvest Ecu	ECU	1106.25
(d) Citinvest Liquidity	$	1066.05
(d) Citinvest Manag. Growth	$	1051.18
CREDIT SUISSE (ISSUE PRICES)		
-(d) Actions Suisses	SF	512.50
-(d) Bond Valor Swf	SF	109.65
-(d) Bond Valor D-mark	DM	114.61
-(d) Bond Valor US-DOLLAR	$	130.12
-(d) Bond Valor £ Sterling	£	110.20
-(d) Bond Valor Yen	Yen	11,098.00
-(d) Convert Valor Swf	SF	141.75
-(d) Convert Valor US-DOLLR	$	155.90
-(d) Canasec	SF	583.00
-(d) CS Fonds-Bonds	SF	79.00
-(d) CS Fonds-Int'l	SF	126.00
-(d) CS Gold Valor	$	109.64
-(d) CS Money Market Fund	$	1163.96
-(d) CS Money Market Fund	DM	1095.68
-(d) CS Money Market Fund	£	1130.94
-(d) CS Money Market Fd Yen	Y	104,054.00
-(d) Energie-Valor	SF	147.75
-(d) Ussec	SF	782.00
-(d) Europa-Valor	SF	198.25
-(d) Pacific-Valor	SF	198.50
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
-(w) Finsbury Grou Ltd.	$	147.39
-(m) Winchester Diversified	$	23.26*
-(m) Winchester Financial Ltd.	$	10.52
-(m) Winchester Frontier	$	150.15
-(w) Winchester Holdings	FF	115.29
	$	13.03
-(m) Winchester Recovery Ltd.	$	107.68
-(w) Worldwide Securities	$	69.87
-(w) Worldwide Special	$	2562.97
DIT INVESTMENT FFM		
-+(d) Concentra	DM	40.41
-+(d) Int'l Rentenfond	DM	61.81
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St., St. Helier 0534-36331		
TRADED CURRENCY FUND.		
@(d) Inc.: Bid $ 13.44 Offer	$	13.863
@(d) Ca.: Bid $ 15.94 Offer	$	16.449
INTERNATIONAL INCOME FUND		
-(d) Short Term 'A' (Accum)	$	1.5474
-(d) Short Term 'A' (Distr)	$	1.0072
-(d) Short Term 'B' (Accum)	$	1.5111
-(d) Short Term 'B' (Distr)	$	1.0861
-(w) Long Term	$	29.54
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pountry Hill, EC4. 01-623-4680		
-(w) F&C Atlantic	$	16.11
-(w) F&C European	$	29.01
-(w) F&C Oriental	$	49.82
FIDELITY POB 670, Hamilton Bermuda		
-(m) Fid. Amer. Val.II Com.	$	60.69
-(m) Fid. Amer. Val.II Cum.Pref.	$	102.49
-(m) Fid. Amer. Val.III Com.	$	19.74
-(m) Fid. Amer. Val.III Cum Pref.	$	102.70
-(d) Fidelity Amer. Assets	$	97.44
-(d) Fidelity Australia Fund	$	13.62
-(d) Fidelity Discovery Fund	$	12.74*
-(d) Fidelity Dir. Svgs.Tr.	$	134.92
-(d) Fidelity Far East Fund	$	44.34
-(d) Fidelity Int'l. Fund S/S	$	12.11
-(d) Fidelity Orient Fund	$	42.61
-(d) Fidelity Frontier Fund	$	18.19
-(d) Fidelity Pacific Fund	$	237.65*
-(d) Fidelity Spcl. Growth Fd.	$	24.83
-(d) Fidelity World Fund	$	55.20
FORBES PO 8887 GRAND CAYMAN		
London Agent 01-839-3013		
-(w) Dollar Income	$	7.65
-(w) Forbes High Inc. Gilt Fd.	£	98.20*
-(w) Gold Income	$	9.17
-(w) Gold Appreciation	$	5.39
-(m) Strategic Trading	$	1.27
GARTMORE FUND MANAGERS INT.		
6, CALEDONIA PLACE, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
-(d) Sterling Deposit	£	1.006
-(d) US$ Deposit	$	1.026
-(d) DM Deposit	DM	5.077
-(d) Yen Deposit	Yen	509.2
-(d) Sw. Fr. Deposit	Sfr	5.092
-(d) N. American	$	1.48
-(d) Japan	$	3.79
-(d) Pacific Basin	$	2.28
-(d) International growth	$	2.27
-(d) British	£	1.68
-(d) Sterling Gilt	£	1.15
-(d) Internatl. High Income	$	1.22
-(d) Yen Convertible bond	Yen$	2698
-(d) European Fund	£	1.63
-(d) E.C.U. Fund	ECU	1.10
CAPITAL STRATEGY PORTFOLIO LTD.		
-(d) Growth Portfolio	£	1.11
-(d) Income Portfolio	£	1.06
-(d) Balance Portfolio	£	1.09
GEFINOR FUNDS.		
-(w) East Investment Fund	$	694.84
-(w) Scottish World Fund	£	195.18
-(w) State St. American	$	207.78
London: 01-491 4230. Geneva: 41-22355530		
GLOBAL ASSET MANAGEMENT CORP.		
PB 119, St Peter Port, Guernsey, 0481-28715		
-(w) FuturGAM S.A.	$	152.59
-(w) GAM Arbitrage Inc	$	184.90
-(w) GAMerica Inc	$	210.88
-(w) GAM Australia Inc	$	122.21*
-(w) GAM Beacon Hill Inv.	$	
-(w) GAM Boston Inc	$	141.97
-(w) GAM Boston II Inv.	$	
-(w) GAM Ermitage	$	21.61
-(w) GAM Ermitage Int. Inc.	$	10.82
-(w) GAM Franc-val	SF	155.94
-(w) GAM France Inc	FF	1016.48
-(w) GAM Global Fund	$	107.50
-(w) GAM Hong Kong Inc.	$	109.08
-(w) GAM International Inc.	$	210.14
-(w) GAM Japan Inc.	$	257.28
-(w) GAM North America Inc.	$	149.60
-(w) GAM N.Am. Unit Trust Inc.		129.50* p
-(w) GAM N.Am. Unit Trust Accum.		134.55 p
-(w) GAM Pacific Inc	$	256.61
-(w) GAM Pens. & Char. Worldw.		163.70 p
-(w) GAM Pens. & Char. U.K. Fd.		129.60 p
-(w) GAMrint	$	130.15
-(w) GAM Singapore/Malay Inc.	$	95.47
-(w) GAM Sterl & Intl Unit Trust		227.00
-(w) GAM Tyche S.A. Class A	$	153.76
-(w) GAMtrends Inc	$	177.47
-(w) GAM U.S. Inc	$	102.60
-(w) GAMut Inc.	$	104.43
-(w) GAM Worldwide Inc	$	288.61
-(w) GSAM Composite Inc	$	140.53
-(w) GSAM Int. Inc. U.S Ord.	$	124.75*
-(w) GSAM Interest Inc. U.S Spe.	$	114.67*
-(w) GSAM Interest Inc.	SF	106.25*
-(w) GSAM Interest Inc.	Yen	10,892*
-(w) GSAM Interest Inc.	DM	107.03*
-(w) GSAM Interest Inc.	£	112.65*
-(w) GSAM Interest Inc.	FF	1,041.44
G.T. MANAGEMENT (UK) Ltd.		
-(d) G.T. Berry Japan Fund	$	22.51
-(r) G.T. Applied Science	$	15.20
-(d) G.T. Asean H.K. Gwth.Fd	$	17.44
-(d) G.T. Asia Fund	$	8.34
-(d) G.T. Australia Fund	$	24.20
-(d) G.T. Europe Fund	$	23.68
-(w) G.T Euro. Small Cos. Fund	$	25.49
-(r) G.T. Dollar Fund	$	19.15
-(d) G.T. Bond Fund	$	15.90
-(d) G.T. Global Technology Fd	$	16.42
-(d) G.T. Honshu Pathfinder	$	57.45
-(d) G.T. Investment Fund	$	32.22
-(w) G.T. Japan Smi Co.Fd	$	17.69
-(r) G.T. Technology Fund	$	25.98
-(d) G.T. South China Fund	$	17.69
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
-(d) Crossbow (Far East)	SF	12.35
-(d) CSF (Balanced)	SF	28.19
-(d) European Equity Fund	DM	16.24
-(d) Intnl. Bond Fund	$	11.86*
-(d) Int. Currency U.S.	$	28.27
-(d) ITF Fd (Technology)	$	18.11
-(d) O'Seas Fd (N. AMERICA)	$	38.27
JARDINE FLEMING, POB 70 GPO Hg Kg		
-(r) J.F Currency&Bond	$	17.85
-(r) J.F Hong Kong Trust	$	43.38
-(r) J.F Pacific Income Trust	Y	54.40
-(r) J.F Japan Trust	Y	7655
-(r) J.F Japan Technology	Y	25,118
-(r) J.F Pacific Sec.S.(Acc)	$	17.76
LLOYDS BANK PLC, POB 438, Geneva 11		
-+(w) Lloyds Int'l Dollar	$	123.10
-+(w) Lloyds Int'l Europe	SF	152.60
-+(w) Lloyds Int'l Growth	SF	197.80
-+(w) Lloyds Int'l Income	SF	298.50
-+(w) Lloyds Int'l N. America	$	131.55
-+(w) Lloyds Int'l Pacific	SF	173.60
-+(w) Lloyds Int'l. Smaller Cos.	$	16.91
NIMARBEN		
-(d) Class A	$	107.06
-(w) Class C - Japan	$	164.57
OBLIFLEX LIMITED		
-(w) Multicurrency	$	16.65
-(w) Dollar Medium Term	$	13.00
-(w) Dollar Long Term	$	14.49
-(w) Japanese Yen	$	19.46
-(w) Poud Sterling	£	12.21
-(w) Deutsche Mark	DM	11.93
-(w) Dutch Florin	FL	11.71
-(w) Swiss Franc	SF	10.66
-(w) Swiss Multicurrency	SF	10.71
-(w) European Currency	ECU	11.49
-(d) Belgian Franc	BF	103.57
-(w) French Franc	SF	8.51
ORANGE NASSAU GROUP		
PB 85578, The Hague (070) 469670		
-(d) Bever Beleggingen++	$	33.78
PARISBAS-GROUP		
-(d) Cortexa International	$	111.76
-(d) ECUPAR	ECU	1133.43
-(w) OBLI-DM	DM	1273.29
-(w) OBLIGESTION	SF	95.90
-(w) OBLI-DOLLAR	$	1299.72
-(w) OBLI-YEN	Y	108,007*
-(w) OBLI-GULDEN	FL	1138.46
-(d) PAROIL-FUND	$	96.08
-(d) PAREUROPE GROWTH	$	17.91
-(d) PARINTER FUND	$	181.24
-(d) PARINTER BOND FUND	$	12.64
-(d) PAR US Treas. Bond 'Cl. B'	$	135.89
PUTNAM		
-(d) Emerging Hlth Sc. Trust	$	13.21
(w) Putnam Em. Info. Sc. Tr.	$	9.54
(d) Putnam Int'l Fund	$	105.94
ROYAL B. CANADA, POB 246, GUERNSEY		
-+(w) RBC Canadian Fund Ltd.	$	13.58
-+(w) RBC Far East&Pacific Fd.	$	23.55
-+(w) RBC Int'l Capital Fd.	$	40.29*
-+(w) RBC Int'l Income Fd.	$	13.58
-+(d) RBC Mon.Currency Fd.	$	32.10
+(w) RBC North Amer. Fd.	$	13.89*
SKANDIFOND INTL FUND (46-8-236270)		
-(w) Intl Inc.Fd: Bid $ 9.63 Offer	$	10.27
-(w) Intl Acc.Fd: Bid $ 9.78 Offer	$	10.43
-(w) Inc. Bond Fd. Bid $6.63 Offer	$	6.90
-(w) Acc. Bond Fd. Bid $6.62 Offer	$	6.89
-(w) Far East Fd. Bid $ 1.04 Offer	$	1.10
SVENSKA INTERNATIONAL LTD.		
17 Devonshire Sq., London-01-377-8040		
-(r) SHB Bond Fund	$	30.81
-(w) SHB Intl Growth Fund	$	42.49
SWISS BANK CORP. (ISSUE PRICES)		
-(d) America-Valor	SF	452.75
-(d) Dollar Bond Selection	$	146.44
-(d) D-Mark Bond Selection	DM	123.70
-(d) Florin Bond Selection	FL	128.77
-(d) Intervalor	SF	83.75
-(d) Japan Portfolio	SF	1524.00
-(d) Sterling Bond Selection	£	112.16
-(d) Swiss Foreign Bond Sel.	SF	112.59
-(d) Swissvalor New Series	SF	426.00
-(d) Universal Bond Select.	SF	78.50
-(d) Universal Fund	SF	122.03
-(d) Yen Bond Selection	Y	11483.00
THORNTON MANAGEMENT LTD		
(d) The Establishment Trust	$	1.51
(d) Thornton Australia Fd Ltd	$	11.98
(d) Thornton HK & China	$	11.22
(d) Thornton Japan Fund Ltd	$	19.20
(d) Thornton Orient.Inc. Fd Ltd	$	15.11
(d) Thornton Phil. Redev. Fd.	$	13.43
(d) Thornton Tiger Fund Ltd.	$	12.35
(d) Thornton Pacific Tech. Fd Ltd	$	10.46
UNION BANK OF SWITZERLAND		
-(d) Bond-Invest	SF	64.25
-(d) DM-Invest bonds	DM	223.50
-(d) ESPAC Spanish sh	SFr	142.00
-(d) Fonsa Swiss Sh.	SF	201.00
-(d) Francit French Sh.	SFr	205.00
-(d) Germac German Sh.	SFr	216.50
-(d) Globinvest sh.	SFr	111.50
-(d) SFr.-Invest bonds	SFr	209.50
-(d) Sima (stock price)	SF	218.50
-(d) Yen-Invest bonds	SFr	927.00
UNION INVESTMENT Frankfurt		
-(d) Unirenta	DM	41.90
-(d) Unifonds	DM	34.90
-(d) Unirak	DM	89.70
-(d) UNIZINS	DM	117.55
Other Funds		
(w) Actibonds Investments Fund.	$	34.10
(w) Acticroissance	$	108.61
( ) Actifinance Intl.	$	1032.04
(w) Activest Intl.	$	14.39
(w) Aquila International Fund	$	281.09
(r) Arab Finance I.F.	$	1022.44
(r) Ariane	$	2573.47
(d) Asia Pac. Growth Fd N.V.	$	27.88
( ) Australia Fund	$	8.75
(b) Blue Saudi Bond Fund	$	163.33
(w) Bondselex-Issue Pr.	SF	130.35
(w) Callander Emer. Gr.	$	90.41
(m) Canada Gtd-Mortgage Fd.	$	10.32
(w) Citadel Fun	$	1.82
(w) Cititrust US $ Equities	$	184.43
(m) Cleveland Offshore Fd.	$	2693.59
(w) Columbia Securities	FL	100.27
(r) COMETE	$	981.78
(w) Convert. Fd. Int'l A Certs	$	16.86
(w) Convert. Fd. Int'l B Certs	$	50.43
(w) Cumber Intl N.V.	$	191.75
(w) Daiwa Japan Fund	Y	12,947
(w) D.G.C.	$	140.28
-(d) Dollar-Baer bond Fd	$	1218.00
-(d) D-mark-Baer Bond Fd.	DM	1097.00
(d) D. Witter Wld Wide Ivt Tst.	$	18.18
(r) Drakkar Invest.Fund N.V.	$	1523.26
(d) Dreyfus America Fund	$	12.92
(d) Dreyfus Fund Int'l.	$	48.55
(w) Dreyfus Intercontinent	$	48.31
(w) ECU Multiplacement	Ecu	1019.05
(d) Europe Obligations	Ecu	71.17
(d) Esprit Sicav	SECU	1043.17
(d) First Convertible Sec. Fd.	$	10.01
(w) First Eagle Fund	$	22,189.32
(r) Fifty Stars Ltd.	$	1144.13
(w) F.I.T. FUND FF	FF	99.12
(w) Fonselex Issue Pr.	SF	205.00
(w) Forexfund	$	8.88
(w) Formula Selection Fd.	SF	63.21
(d) Fonditalia	$	77.60
(d) Frankf-Trust Interzins	DM	45.61
(w) George V INV. BOND F.	$	15.49
(d) Governm. Sec. Fund*	$	83.59
(w) Haussmann Hldgs. N.V.	$	203.96
(w) Health 2000 Ltd.	$	10.11
(w) Hestia Funds	$	133.41
(w) Horizon Fund	$	1782.77
(m) IBEX Holdings Ltd.	SF	146.87
(r) ILA-IGB (31/07)	$	9.53
(r) ILA-IGS (31/07)	$	10.38
(m) IncAmerica N.V	$	11.38
(w) Interecu Fund	ECU	1,020.70
(w) Interfund SA	$	37.24
(w) Intermarket Fund	$	316.07
(r) Int'l Securities Fund	$	28.48
(d) Investa DWS	DM	71.51
(r) Invest Atlantiques	$	15.58
(r) [illegible]	FF	
(r) Italfortune Int'l Fund SA	$	45.17
(w) Japan Selection Fund	$	211.48
(w) Japan Pacific Fund	$	235.25
(m) Jeffer Ptns. Intl. Ltd.	$	10,608.42
(d) Kleinwort Benson Int'l Fd.	$	27.71
(d) Kleinwort Bens. Jap. Fd.	$	177.43
(d) Korea Growth Trust	$	16.09
(w) Leicom	$	2105.44
(w) Leverage Cap Hold.	$	246.15
(d) Liquibaer	$	1452.00
(d) Luxfund	$	126.91
(d) Mediolanum Sel. Fd.	$	41.17
(r) Meteore	Y	742,708.00
(d) Nikko Growth Package Fd.	$	14,887.94
(w) Nippon Fund	$	72.47*
(d) NM Income & Growth Fund	$	12.45
(m) NOSTEC Portfolio	$	7700.38
(m) NSP F.I.T.	$	218.55
(b) OPPORTUNITES FUND	$	1103.87
(d) Pacific Horizon Invt. Fd.	$	2657.31
(w) PANCURRI Inc.	$	42.405
(m) Permal Spec. Opp.	$	1135.62
(r) Permal Value N.V.	$	1425.31
(r) Pleiades	$	1475.70
(r) Prigo fund	DM	51.31
(r) Pri-Tech	$	999.57
(w) Quantum Fund N.V.	$	10,462.27
(d) Renta Fund	LF	2840.00
(d) Rente Plus	FB	30016
(d) Rentinvest	LF	1165.30
(d) Reserve Insured Deposits	$	1176.44
(w) Rudolf Wolff Fut Fd Ltd.	$	794.50
(d) Samurai Portfolio	SF	187.45
(d) SCI/Tech. SA Luxembourg	$	15.80
(w) Seven Arrows Fund N.V.	$	884.02
(w) Strategy Investment Fund	$	29.78
(w) Target Fund	$	960.00
(w) Techno Growth Fund	SF	76.71
(w) Tokyo Pac. Hold. (Sea)	$	138.61
(w) Tokyo Pac. Hold. N.V.	$	189.96
(w) Transpacific Fund	$	189.59
(w) Trans Europe Fund	FL	59.36
(w) Turquoise Fund	$	185.09
(w) Tweedy,Browne n.v.ClassA	$	2598.69
(w) Tweedy,Browne n.v.ClassB	$	1695.40
(m) Tweedy,Browne (U.K.) n.v.	$	1074.04
(d) UNICO Fund	DM	78.20
(d) UNI Bond Fund	$	1483.83
(r) UNI Capital Fund	$	1351.10
(d) Univers Bonds	Dm	122.47
(d) US Federal Securities	$	10.40
(w) Vanderbilt Assets	$	14.06
(w) Willerbond Capital	$	12.47
(d) World Fund S.A.	$	19.35

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December; ▪ - Redempt- Price- Ex-Coupon; •• - Formerly Worldwide Fund Ltd; @ - Offer Price Incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

Midland Bank Trust Corporation in the Channel Islands

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- Executor and Trustee
- Personal Income Tax
- Portfolio Investment Management
- Company Management
- Offshore Gilt and International Bond Funds

For further details contact us at:

Midland Bank Trust Corporation (Guernsey) Limited, P.O. Box 156, 22 Smith Street, St. Peter Port. Telephone: Guernsey (0481) 23765. Telex: 4191586. Manager: B. V. Le Hermon

Midland Bank Trust Corporation (Jersey) Limited, P.O. Box 26, 28/34 Hill Street, St. Helier. Telephone: Jersey (0534) 72156. Telex: 4192088. General Manager: C. J. Becket

Members of **Midland Bank Group**

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PROFILE

After the Boom, a Manager Rethinks Japan

By Patrick Smith

Hong Kong

ALTHOUGH Japanese equities normally dominate portfolios invested in Asia, this year they have been crucial to fund managers in the region. The Tokyo Stock Exchange, measured by the Nikkei-Dow average, is up more than 40 percent so far in 1986. Earlier on, the questions were when to increase a fund's Japanese position; now it is more a matter of when to withdraw, and by how much.

"The key to performance this year has been Japan — first of all being there, and then having enough exposure," says G. Paul Matthews, managing director of G.T. Management (Asia) Ltd. "The next major decision is timing the reduction of our exposure."

Last April, Mr. Matthews decided to raise the Tokyo portion of the G.T. Asia Fund from 60 percent to nearly 90 percent. The timing was not perfect, he acknowledges: The fund missed part of the upward ride in Japan. But Japan was still the principal factor in the 86.9-percent gain the Asia Fund posted in the year to July 31.

From his office overlooking Hong Kong Harbor, Mr. Matthews oversees the regional distribution of assets in six G.T. funds that are Asian-invested, including such specialized vehicles as the South China Fund and the Australia Fund. Together with six additional funds invested entirely in Japan, Asia accounts for almost half of the $5 billion that G.T. manages worldwide.

Mr. Matthews, who is all of 30, spent three years on G.T.'s Japanese investments before becoming managing director in Asia last year.

He joined G.T. in 1978, just after graduating from Cambridge with a law degree.

G. Paul Matthews

"G.T. was a tiny company then," he recalls. "We had about £200 million under management worldwide. You could say I've grown up with the company."

After London, Mr. Matthews spent three years in San Francisco looking after U.S. investments, then in 1981 he moved to Asia.

Although he says he had no particular training in Asia before he arrived, Mr. Matthews notes that "G.T. has been something of an Asian specialist since its earliest days" and the region seems an obvious stop for someone who has been with G.T. his entire career.

The Asia Fund is G.T.'s flagship in the region. Established 11 years ago, it is the oldest of G.T.'s Pacific-region funds. And at $90 million, it is also the largest of G.T. Asia's public funds, with investments in seven markets other than Tokyo. Over the past decade, it has averaged growth of almost 20 percent a year, which ranks it fourth among the top 10 funds invested in Far Eastern markets, according to Money Management.

In the three months after Mr. Matthews increased the fund's exposure in Japan, it was ranked fourth among 55 Far Eastern funds studied by Money Management.

As with some other fund managers, G.T. has responded to the strengthened yen by avoiding the export-oriented manufacturers traditionally sought by foreign investors. Instead, the Asia Fund has favored sectors that will benefit from the refocusing of the Japanese economy on domestically led growth — real estate, financials, utilities and retailers. G.T. terms this its "inside-Japan" strategy.

"The case for this approach is not a six-month market phenomenon," Mr. Matthews asserts. "We now see a longterm revitalization of the domestic economy." He favors Mitsubishi Real Estate, Nomura Securities and Unicharm, a maker of consumer products.

At the same time, Mr. Matthews already has started his move away from Tokyo, although he has hedged into the yen to protect this currency position. So while the Asia Fund's Japanese equities have dropped to 75 percent of assets in the past month or so, the fund remains 90-percent exposed in yen. The question now is whether to take the fund's Tokyo component back down to the 60 percent that G.T. considers a minimum level.

"We think Japan continues to be a liquidity-driven bull market," Mr. Matthews says. "But we are somewhat concerned about the overall level of prices in Tokyo."

Where is Mr. Matthews putting the capital he is withdrawing from Japan? Principally in South Korea, Taiwan, Hong Kong and Singapore. Reflecting the yen's strength, lower oil prices and lower worldwide interest rates, an export-led recovery already is much in evidence in Asia's newly industrialized countries, sometimes called NICs.

THE STRATEGY in each is different. In Hong Kong, Mr. Matthews looks for the impact of export growth on the economy, and therefore invests principally in properties and utilities — such as Swire Pacific and Cheung Kong, flagship of the property developer Li Ka-Shing — rather than industrials. In Taipei and Seoul, G.T. has few decisions: like everyone else, it is limited to the trusts through which foreigners are required to invest.

Although its economy is the weakest of the group, Singapore has been the No.-2 contributor to the Asia Fund's performance this year. For the most part, this has been based on internationally popular blue chips such as Singapore Airlines, Fraser & Neave, Singapore Land and the Development Bank of Singapore. But Mr. Matthews expects a broader market recovery, based more on earnings than demand, to get under way after a consolidation period later this year.

"Some investors are concerned with external factors in looking at Singapore," Mr. Matthews acknowledges. "But we see recent domestic policies, including a measure of deregulation, and expect the economy to resume a growth rate similar to those of the other NIC's."

Reflecting this confidence, G.T. is launching a new fund to concentrate on these four economies. the $10-million G.T. NIC's Fund, which is based in Bermuda, is scheduled to close Sept. 26. □

COLLECTING

When Fads Become Fashion

Continued From Page 11

Laski says. "People like the printed word. It helps their confidence."

Using these guideposts, some experts and veteran collectors are paying closer attention to several new areas. One area now acquiring a devoted group of collectors is that of contemporary works by artist-jewelers. These are crafted in a wide range of metals and nonprecious materials.

"In the last twenty years, since the late '50s, a growing number of people all over the Western world have gained recognition as artist-jewelers," explains Richard Edgcumbe, assistant keeper in the department of metalwork at the Victoria & Albert Museum. "This market is booming at the moment. There is enormous interest in this world."

One jeweler who epitomizes that trend and recently had an exhibition in the V&A is Kevin Coates, a British artist perhaps best known for the sculptural quality of his work. Another is Gerda Flockinger. One of the finest metalworking jewelers in the world, she will have an exhibition at the V&A in October.

Demand for certain kinds of ceramics also has begun to grow. At the lower end of the market, pottery from specific factories and periods in the 20th century is becoming popular.

"A greater number of people are collecting pottery for its design and because it's inexpensive," says Julia Porter, deputy director of the London-based Geffrye Museum, which held an exhibition in 1983 of Shelley pottery, designed in Art Deco style by a British firm with the same name. "Paintings are in the thousands of pounds, whereas 20th-century pottery is very accessible."

Mark Turner

A vase in trellis pattern by Frederick Rhead.

One area that Miss Laski is watching is Carlton Ware, the name of a range of British tableware, tea sets, vases, and dishes produced in the 1920s and 1930s. The look, also Art Deco, is geometric with an Oriental style. "It's definitely up and coming," she says. "Pieces cost from £80 up to £400."

Collectors also are beginning to become fascinated with Rhead pottery. Made by several generations of British potters from the mid-1800s to 1950, it is vividly designed with bright colors and, in the later stages, has some similarities to the work done by Clarice Cliff in the 1920s and 1930s. Among the most popular pieces have been those designed by Frederick Rhead around the turn of the century and his daughter, Charlotte, during the height of Art Deco's popularity.

One of the main attractions of such pottery is that prices are still relatively low, with items starting from £50. "Porcelain tends to be more expensive," says Bernard Bumpus, an avid collector. "I like the feel of pottery. It's extremely decorative. Eighteenth-century porcelain is very expensive, whereas these are much more collectible."

Among the most avant-garde areas of collecting is sculpture, particularly works by a group that breaks tradition by assembling plastic, appliance parts and books.

A good piece from that group could fetch £8,000 to £12,000, many times more than five or six years ago, says Nicholas Logsdail, director of the Lisson Gallery. □

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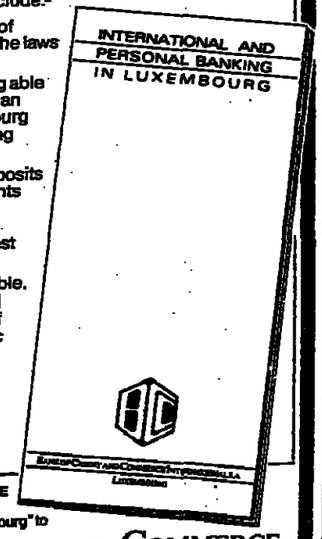

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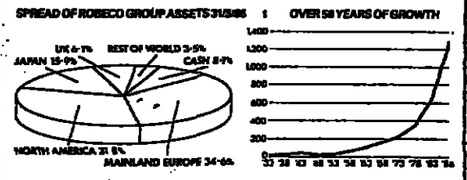

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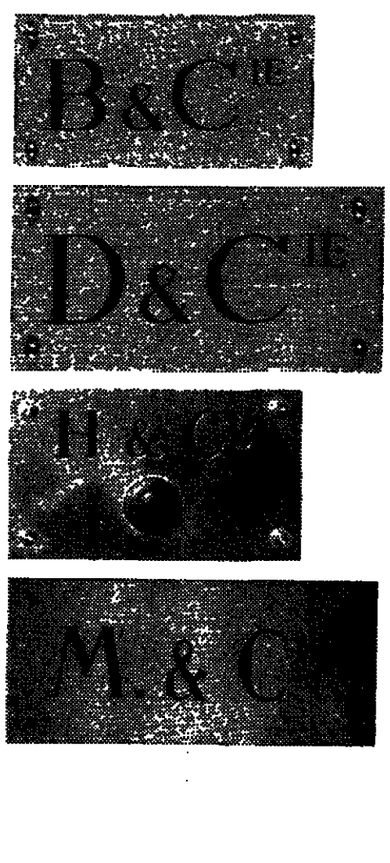

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Tél. 20 81 11

(Continued on next left-hand page)

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Sales in 100s | High | Low | Close | Net Chge

A

B

C

D

E

F

G

H

I

J

K

L

Chicago Exchange Options

Figures as of close of trading Friday.

Option & Strike Price | Calls | Puts | Option & Strike Price | Calls | Puts

American Exchange Options

Figures as of close of trading Friday.

Option & Strike Price | Calls | Puts | Option & Strike Price | Calls | Puts

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

[illegible]

(Continued on next page)

EUROPEAN COMMUNITY

EC Plans Protest Over Japan Exports

By Steven J. Dryden

International Herald Tribune

BRUSSELS — Japan's new trade minister will meet with European Community officials Monday, at a time of increasing calls in the community for protectionist measures against Japan.

Japanese exports to the community rose dramatically in the first seven months of this year, creating a $9.9-billion trade surplus with the EC. Japan's surplus with the community in 1985 was $13.7 billion.

EC officials said community dissatisfaction with the growing trade gap would be conveyed to Hajime Tamura, the minister for international trade and industry, in his talks with Jacques Delors, the president of the EC Commission, and Willy de Clercq, the EC trade commissioner.

The officials said the worsening trade gap was creating greater tension between the EC and Japan that could lead to tougher community trade tactics.

The Commission is coming under increasing pressure from sectors of European industry to place tariff penalties on Japanese exports allegedly "dumped" in community markets at unfair prices.

Concessions Sought For West Bank, Gaza

The Commission has proposed to the Council of Ministers that agricultural exports from the Israeli-occupied West Bank and Gaza Strip be given the same favorable trade concessions as those from Mediterranean countries.

The proposal, which also includes provisions for increased financial aid to the occupied territories, followed decisions by Jordan and the United States this summer to increase assistance to the area for economic and social development.

De Clercq Has Talks With Soviet on GATT

Mr. de Clercq met last week with a Soviet representative to discuss Moscow's interest in participating in the new round of global trade talks.

An EC spokesman said Mr. de Clercq maintained the community's official noncommittal position on the question during the talks with Sergei Nikitine, the Soviet ambassador to Belgium.

Mr. de Clercq told Mr. Nikitine that the decision on Soviet participation in the new round of talks under the General Agreement on Tariffs and Trade would have to be made when they open in Punta del Este, Uruguay, on Sept. 15.

Community officials have privately said they were skeptical about Soviet participation in GATT. They said it would be difficult to include the Soviet Union, with its enormous state-run economy, in an organization that attempts to promote free trade.

They also said the community did not want to give the Russians the opportunity to extend their influence over East European countries that are GATT members.

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

[illegible]

NL — No initial sales load. f — Previous day's quote. r — Redemption charge may apply. x — Ex dividend.

Wall Street Review

AMEX Most Actives

Vol.		High	Low	Last	Chng.
Wickes	31888	5⅛	4⅞	5	— ¼
EchoB g	20425	21⅞	20⅝	21¼	+1⅛
BAT	11835	6⅞	6¼	6⅝	+ ⅛
WangB	11088	14⅞	14⅛	14¾	+ ⅛
PicrD g	9985	22½	20¾	22⅛	+1⅛
HmeGp	9907	23⅞	20½	21¾	—1
PhilLD	9672	15⅛	10½	12⅝	+2⅛
LorTel n	8196	24⅞	22	22⅝	—1⅜
TexAir	7918	32	30¼	31⅝	— ¾
AM Intl	6590	6⅜	6	6⅛	— ¼
Hasbr s	6226	28	26⅝	26⅞	— ½
Kirby	5812	2⅞	2⅛	2½	+ ¼
HrnHar	5807	13⅝	11⅞	13⅛	+1⅛
Hmlns pf	5065	24⅝	24	24	— ½
Amdahl	4578	21	19½	19⅝	—1⅛
GifCda n	4478	10¾	10½	10½	
HmeSh n	4102	131½	110	110	—9
WDigit	3895	14½	13¾	14	+ ¼
Seeing n	3739	15½	14⅝	14⅞	— ⅜
SCorio	3595	6⅛	1⅞	5¼	+3⅛
Asmr g	3534	7½	6⅞	7⅛	+ ⅜
Husky g	3489	6⅝	6	6⅛	+ ⅛
ImpOil g	3486	33⅞	31¼	33⅞	+1⅞
AmRoyl	3282	5¼	4⅞	5⅛	+ ⅛
Dillrd s	3157	36¾	35⅛	36⅞	+1⅜

NYSE Most Actives

Vol.		High	Low	Last	Chng.
OcciPet	195981	30¼	28¾	30	+1⅛
AT&T	91073	25⅜	24⅛	24⅞	+ ⅛
OwenC	82974	79⅝	77⅜	79⅛	+ ⅞
IBM	78159	141	135⅝	140⅝	+1⅜
Mobil	71587	39⅜	35⅝	38⅞	+2⅞
USX Cp	65523	20⅞	18⅞	20⅜	+1⅛
Rorer	65415	47½	39½	45	+4⅞
PhilPet	63744	11¼	10¼	11⅛	+ ⅞
Sears	57760	46⅛	43⅝	44⅞	— ⅞
NEngE s	53349	35⅛	31⅞	32⅜	—1⅞
PanhEC	52716	48⅛	43⅛	47⅜	+3⅜
Exxon	52377	71⅛	67⅛	70⅞	+1½
AmMot	47932	2⅝	2⅜	2⅜	+ ⅛
AldSlr s	47821	62	48	58¼	+7⅞
Texaco	44569	35⅞	33⅜	34⅞	+ ¾
Chevrn	42180	47⅛	43⅝	47	+2⅜
AtlRich	41367	61⅛	56⅛	61	+3½
Schlmb	41322	35	32⅞	34½	+ ⅞
FedNM	41081	35⅝	32⅞	32⅜	—3
MesLP pf	40639	13⅞	13¼	13⅜	+ ¼
CocaCl s	40523	37⅝	35	35⅛	—2½
PepsiC s	40362	32	27⅜	28⅝	—3½
HewlPk	40016	48⅛	45¼	47⅞	+1⅞
FordM s	39996	60	56¼	58½	—1¼
GenEl	37611	79⅜	75⅛	77½	—1½

AMEX Sales

	Sales Vol.
Total for week	41,390,000
Week ago	46,820,000
Year ago	25,920,000
Jan 1 to date	2,118,470,000
1985 to date	1,380,650,000
AMERICAN BONDS =	
Total for week	13,740,000
Year ago	9,810,000

NYSE Sales

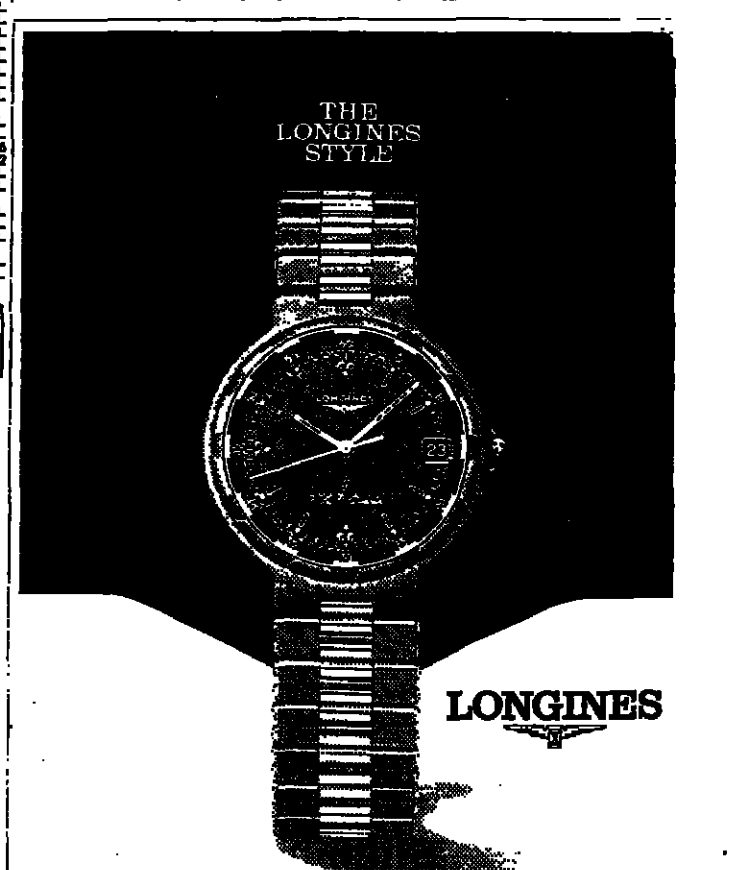
	Sales Vol.
Total for week	659,880,000
Week ago	654,610,000
Year ago	356,220,000
Two years ago	307,390,000
Jan 1 to date	23,956,116,732
1985 to date	18,217,580,000
1984 to date	15,989,010,000

AMEX Diaries

	This Wk	Last Wk
Advanced	346	394
Declined	415	349
Unchanged	158	182
Total Issues	919	925
New Highs	61	72
New Lows	27	36

NYSE Diaries

	This Wk	Last Wk
Advanced	958	1216
Declined	995	795
Unchanged	237	206
Total Issues	2190	2217
New Highs	256	289
New Lows	37	42



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SPORTS

Piniella's Job Is in Jeopardy

New York Times Service

NEW YORK — It appears as though Lou Piniella will not be back for a second season as manager of the New York Yankees. A source close to George Steinbrenner, the owner, said on Saturday: "Piniella is going; that's for sure."

Steinbrenner himself, asked the other day about Piniella's status, said: "He knows the bottom line." With Steinbrenner, winning the pennant is the bottom line. And the Yankees are 9½ games back in the American League East.

Where would Steinbrenner turn for the 15th manager in his 15th season as the team's owner?

The source close to the owner ruled out Billy Martin. Steinbrenner could look at Clyde King, his general manager, or at his coaching staff, which includes Jeff Torborg, Joe Altobelli, and Don Zimmer.

Lou Piniella NYT

Earl Weaver's one-year contract with Baltimore expires at the end of this season but, according to his agent, Weaver will not go to the Yankees under any circumstances.

Red Sox, Under Pressure, Win 7th in Row

United Press International

BOSTON — The Boston Red Sox are winning when it counts in the American League East.

Marty Barrett singled home Dave Henderson from second base with two out in the ninth inning Saturday to give the Red Sox their seventh straight victory, a 3-2 triumph over the Minnesota Twins.

The Toronto Blue Jays, who beat Chicago, 4-0, have been making a concerted run at Boston in the past three weeks, but the Red Sox are holding on. This victory allowed them to remain 5½ games ahead of the Blue Jays.

The ninth-inning rally began with two out, when Pat Dodson singled to right off George Frazier for his first major-league hit. Henderson ran for Dodson and went to second when Wade Boggs walked. Barrett greeted reliever Keith Atherton with a line single to right, scoring Henderson.

Dennis (Oil Can) Boyd went the distance for Boston, yielding six hits, none after the sixth inning. He struck out nine and walked none.

Minnesota took a 2-0 lead in the third on Kirby Puckett's two-run double. In the eighth, trailing 2-1, the Red Sox tied the score on Boggs's double and Jim Rice's single to left. It was Rice's 12th RBI in his last three games.

SATURDAY BASEBALL

Blue Jays 4, White Sox 0: In Chicago, George Bell homered in the fourth inning and Garth Iorg hit a three-run double in the ninth for Toronto. Jimmy Key allowed only four hits in eight innings.

Angels 9, Yankees 2: In Anaheim, California, Mike Witt pitched a seven-hitter and Doug DeCinces, Brian Downing and George Hendrick homered to give the Angels to their 10th victory in 12 games. The triumph kept them 6½ games ahead of Texas in the AL West, while New York fell 9½ games behind Boston.

A's 5, Tigers 4: In Oakland, California, Stan Javier singled in Jose Canseco from third base with two out in the 10th to beat Detroit.

Mariners 6, Orioles 2: In Baltimore, Jim Presley and Phil Bradley each drove in two runs as Seattle won its third straight.

Rangers 6, Royals 4: In Arlington, Texas, Pete Incaviglia hit two home runs and Orlando Mercado and Ruben Sierra added solo blasts against Kansas City.

Indians 17, Brewers 8: In Milwaukee, Joe Carter homered twice, drove in four runs and scored five during a 5-for-6 performance for Cleveland. The Brewers lost their eighth straight as starting pitcher Juan Nieves gave up seven runs in a third of an inning.

Astros 7, Cardinals 6: In the National League, in Houston, Jose Cruz hit a two-out, two-run homer in the ninth to beat St. Louis. It was the 22d time this season the Astros have won in their final at-bat.

Reds 5, Cubs 1: In Cincinnati, Ted Power and Ron Robinson held Chicago to six hits and Dave Parker drove in two runs for the Reds. It was the seventh straight loss for Chicago, while Cincinnati won for the 10th time in its last 13 games to remain 7 games behind Houston in the NL West.

Mets 4, Padres 3: In New York, Gary Carter capped a two-run eighth against San Diego with his second home run of the game. The hit came against Lance McCullers, who had struck Carter out three of the half-dozen times they had faced each other in the past.

Dodgers 3, Phillies 2: In Philadelphia, Steve Sax singled home two runs in the second inning and Fernando Valenzuela struck out 14 in recording his 17th complete game for Los Angeles. Valenzuela allowed six hits.

Braves 4, Pirates 2: In Atlanta, Bob Horner hit his first career grand slam for the Braves, who got just two hits off five Pittsburgh pitchers. Glenn Hubbard had the other, a third-inning single. Horner had held the major-league record for most homers in the majors, 209, without hitting a grand slam.

Expos 3, Giants 1: In Montreal, Luis Rivera singled home two runs in the bottom of the eighth inning, capping a three-run Expos rally that beat San Francisco. Giants starter Kelly Downs had taken a three-hit shutout into the inning.

'Old Man' Parker Gets 100th RBI, Looks Like MVP Candidate

Compiled by Our Staff From Dispatches

CINCINNATI — Dave Parker, whose career was endangered by injury and excess weight three years ago, must be considered a favorite this year for Most Valuable Player in the National League.

Parker hit a three-run home run and a two-run shot Friday night to become the first NL player to drive in 100 runs this season. His performance, which helped the Cincinnati Reds to an 11-2 romp over the Chicago Cubs, gave Parker 102 RBI.

"It shows the old man isn't through yet," said the 35-year-old Parker, in his 14th season. "It feels good to be the first in the league to do it."

Since signing with the Reds in 1984, Parker has regained the form he showed during his first seven years in Pittsburgh. With the Pirates, Parker won batting titles in 1977 and 1978, and was the NL MVP in 1978.

Injuries plagued him from 1980 to 1983, and during that time he gained weight, further hampering his ability.

But last year, Parker had his best season since 1978, leading the NL with 42 doubles and 125 RBI.

His two homers Friday gave him 28 for the season, six fewer than he hit last year. He said his ability as a power hitter was becoming more pronounced later in his career — just as former Pirate teammate Willie Stargell predicted.

"Stargell once told me there would come a time when my swing would change," Parker said. "I've noticed that happening in the last couple of years. I've always been a good contact hitter, but I'm hitting the ball on more of an arc now."

Giants 8, Expos 4: In Montreal, Jose Uribe singled home Bob Melvin in the eighth inning and reliever Scott Garrelts hit a three-run homer in the ninth for San Francisco.

Braves 4, Pirates 3: In Atlanta, pinch hitter Terry Harper doubled home Glenn Hubbard with two out in the ninth to beat Pittsburgh.

Cardinals 8, Astros 5: In Houston, Tom Herr drove in four runs with two singles and a triple for St. Louis.

Phillies 4, Dodgers 0: In Philadelphia, Gary Redus broke a scoreless tie with a two-run single in the seventh, and the Phillies went on to beat Los Angeles in a game delayed more than two hours by rain.

Red Sox 12, Twins 2: In the American League, in Boston, Jim Rice hit a grand slam and Marty Barrett added a three-run shot in support of Roger Clemens's 21st victory. Minnesota's Kirby Puckett singled twice, becoming the first major leagner this season with 200 hits.

White Sox 5, Blue Jays 0: In Chicago, Rich Dotson allowed Toronto just four hits for his first shutout since May 1984, and the White Sox blew open the game with a four-run second inning.

Indians 13, Brewers 5: In Milwaukee, Cory Snyder led a 15-hit attack with a home run and Cleveland's Phil Niekro won his 311th game in the majors.

FRIDAY BASEBALL

Mariners 8, Orioles 2: In Baltimore, Mike Moore pitched a six-hitter and Jim Presley and Scott Bradley each drove in two runs for Seattle.

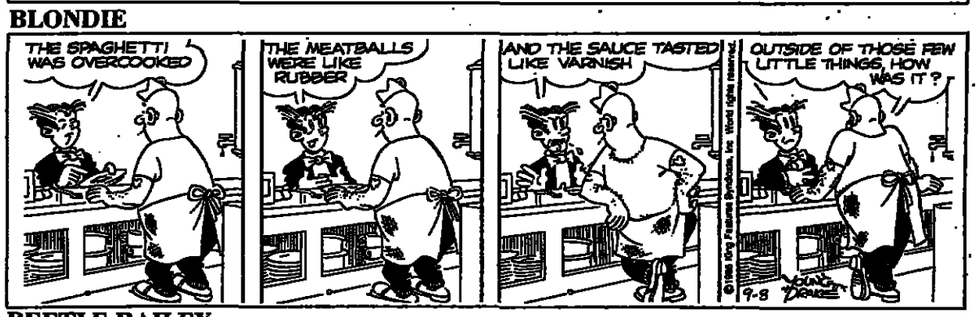
Tigers 9, A's 4: In Oakland, California, Kirk Gibson had three RBI and Lou Whitaker and Chet Lemon each two for Detroit.

Yankees 7, Angels 4: In Anaheim, California, Joel Skinner hit two two-run singles and New York withstood two home runs by Reggie Jackson.

Rangers 7, Royals 6: In Arlington, Texas, Darrell Porter's grand slam capped a six-run fifth that beat Kansas City. *(UPI, AP)*

PEANUTS

BLONDIE



BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

DENNIS THE MENACE

"LICK FASTER, JOEY! YOU'RE HAVIN' A *MELTDOWN!*"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MUTOH

PARAT

GANDIL

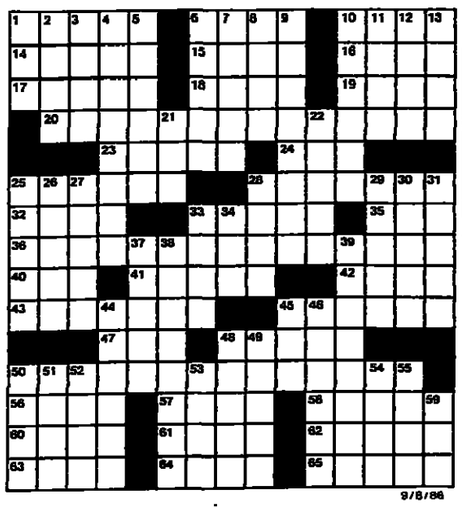
THRENE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Friday's Jumbles: TRILL DIZZY KIDNAP LATEST

Answer: What there was a lot of at the unemployment office—"IDLE" TALK



9/8/86

ACROSS

1 Embarrass
6 Cabbage dish
10 Household animals
14 Mea —— (my *fault*)
15 Elegant
16 Beehive State
17 Retinue
18 Ashtabula's lake
19 Title
20 On —— (anxious)
23 Fender mishaps
24 CCCV divided by V
25 How some "cats" act
28 Striking
32 "Don't tread ——"
33 Book of maps
35 —— de mer (seasickness)
36 Fine embroidery
40 Inferior race horse
41 Basic truth
42 Taj Mahal site
43 Law
45 Glossy cloth
47 Tijuana gold
48 Choose
50 Penny-arcade attraction
56 Cruising
57 Meat cut
58 Place for élèves
60 Like a bump on ——
61 French magazine
62 River in N.C.
63 Gambling city
64 "—— of Wine and Roses"
65 A Ford

DOWN

1 Deed
2 Type of gun
3 Jai ——
4 Formed into a slender rod
5 Gretel's sibling
6 Tired out
7 Masters
8 "It's —— to tell a lie"
9 Getaway-car driver
10 Learned person
11 Catchall abbr.
12 Domesticate
13 "—— Back on Broadway," 1953 film
21 Some
22 Be
25 Guides a vessel
26 —— a time
27 End
28 Meager
29 Likeness
30 Mother-of-pearl
31 Collect bit by bit
33 "Baked in ——"
34 Also
37 Webb-Tierney film
38 Praised
39 Arranged in crossed strips
44 Trinidad's neighbor
45 N.Y.S.E. watchdog
46 One-seeded fruit
48 Poet Dickinson
49 Strips for bowling
50 Former TV host
51 Cay or key
52 Sign gas
53 Falana of songdom
54 Entre ——
55 Otherwise
59 Moray

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WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	29	84	20	68	fr
Amsterdam	16	61	5	41	cl
Athens	30	86	18	64	fr
Barcelona	26	79	19	66	fr
Belgrade	29	82	10	50	fr
Berlin	17	63	10	50	fr
Brussels	17	63	9	48	fr
Bucharest	27	81	6	43	fr
Budapest	25	77	8	46	fr
Copenhagen	19	66	12	54	sh
Costa Del Sol	28	82	19	66	fr
Dublin	16	61	5	41	cl
Edinburgh	15	59	6	43	cl
Florence	28	79	14	57	fr
Frankfurt	17	63	10	50	fr
Geneva	28	79	11	52	fr
Helsinki	11	52	5	41	sh
Istanbul	27	81	16	61	fr
Las Palmas	25	77	20	72	fr
Lisbon	27	81	17	63	fr
London	19	66	8	46	fr
Madrid	30	86	17	63	fr
Milan	26	79	13	55	fr
Moscow	15	59	9	48	fr
Munich	16	61	12	54	sh
Nice	25	77	18	64	fr
Oslo	14	57	5	41	cl
Paris	18	64	11	52	cl
Prague	16	61	10	50	cl
Reykjavik	13	55	6	43	cl
Rome	27	81	13	55	fr
Stockholm	14	57	7	45	fr
Strasbourg	19	66	10	50	fr
Venice	25	77	12	54	fr
Vienna	22	72	12	52	sh
Warsaw	12	54	11	52	sh
Zurich	21	70	12	54	cl
MIDDLE EAST					
Ankara	22	72	9	48	fr
Beirut	—	—	—	—	na
Damascus	—	—	15	59	na
Jerusalem	30	86	16	61	fr
Tel Aviv	31	88	21	70	fr
OCEANIA					
Auckland	17	63	13	55	c
Sydney	16	61	13	55	cl

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	24	75	sh
Beijing	29	84	19	66	cl
Hong Kong	31	88	24	75	sh
Manila	33	91	23	73	sh
New Delhi	37	99	26	79	fr
Seoul	28	82	19	66	c
Shanghai	28	82	23	73	c
Singapore	—	—	—	—	na
Taipei	34	93	27	81	fr
Tokyo	30	86	21	70	c
AFRICA					
Algiers	33	91	15	59	fr
Cairo	34	93	21	70	fr
Cape Town	21	70	10	50	fr
Casablanca	32	90	21	70	fr
Harare	—	—	—	—	na
Lagos	—	—	23	73	na
Nairobi	28	82	10	50	fr
Tunis	30	86	19	66	fr
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Caracas	28	82	20	68	sh
Lima	—	—	16	61	na
Mexico City	25	77	10	50	cl
Rio de Janeiro	24	75	19	66	c
NORTH AMERICA					
Anchorage	15	59	9	48	cl
Atlanta	29	84	19	66	cl
Boston	21	70	13	55	fr
Chicago	17	63	4	39	fr
Denver	23	73	10	50	fr
Detroit	17	63	5	41	fr
Honolulu	33	91	23	73	fr
Houston	32	90	23	68	fr
Los Angeles	23	77	15	64	fr
Miami	32	90	25	77	sh
Minneapolis	16	61	6	43	fr
Montreal	28	82	1	34	fr
Nassau	31	88	25	77	sh
New York	21	70	13	55	pc
San Francisco	19	66	13	55	fr
Seattle	21	70	12	55	fr
Toronto	23	73	8	46	fr
Washington	24	75	13	55	pc

cl-cloudy; fg-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slightly choppy. FRANKFURT: Fair. Temp. 19 — 9 (66 — 48). LONDON: Showers. Temp. 17 — 8 (63 — 46). MADRID: Partly cloudy. Temp. 27 — 18 (81 — 64). NEW YORK: Partly cloudy. Temp. 22 — 13 (72 — 55). PARIS: Fair. Temp. 20 — 10 (68 — 50). ROME: Fair. Temp. 29 — 12 (84 — 54). TEL AVIV: No. ZURICH: Fair. Temp. 21 — 11 (70 — 52). BANGKOK: Showers. Temp. 32 — 27 (90 — 81). HONG KONG: Rain. Temp. 31 — 24 (88 — 79). MANILA: Thunderstorms. Temp. 32 — 23 (90 — 73). SEOUL: Rain. Temp. 27 — 19 (81 — 66). SINGAPORE: Thunderstorms. Temp. 31 — 26 (88 — 79). TOKYO: Mist. Temp. 29 — 21 (84 — 70).

BOOKS

O-ZONE

By Paul Theroux. 527 pages. $19.95. The Putnam Publishing Group Inc., 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Jonathan Yardley

THIS new novel is on several counts a striking departure for its author. Paul Theroux is a prolific writer whose works of fiction have tended to be compressed and self-contained, but "O-Zone" is not merely vast in sheer size, it attempts to make larger, more inclusive thematic statements than did any of Theroux's previous novels. It is his first genuinely American novel — Theroux, born in Massachusetts, has lived in London for years — and it deals more directly with questions of American national identity and character than any of his other books, either fiction or nonfiction. It is a futurist novel, a genre into which he has not previously ventured.

The most startling departure, as well as the most difficult to pin down, is that "O-Zone" is the first novel in which Theroux does not sound like Theroux. His prose style — very much his own, but clearly influenced by such writers as Evelyn Waugh, Graham Greene and V.S. Naipaul — is distinct. Yet if I had read "O-Zone" unaware of its author's identity and had been asked to name him, I doubt that Theroux would have been among my first dozen guesses. This is not to say that "O-Zone" lacks the intelligence, wit and bite of Theroux's earlier work but that the undercurrent of self-mockery characteristic of Theroux is not evident here, and that his prose somehow seems more mechanical.

What is most admirable about "O-Zone" is the sheer ambition of it. Almost alone among contemporary American writers, Theroux is willing to take on new challenges and unexplored territory. He is perhaps our least autobiographical writer, which means that he tells other people's stories instead of his own. His imagination seems bottomless, his fund of stories inexhaustible; for him every book is a new world, connected to his previous worlds only by the man who has created them. Now he has attempted to build a larger world than ever. Though his success at doing so is mixed, the scale and effort are exemplary.

"O-Zone" is set in some unidentified year early in the 21st century, 15 years after a catastrophic nuclear accident in the Ozarks has forced the government to close off a vast Outer Zone, or O-Zone, a deadly place where "the earth, the air, the water — everything here has been dangerous with radiation." In a passage that summarizes many of the novel's preoccupations, Theroux writes: "It was the only part of America that was genuinely empty — empty by law, feared by everyone, and heavily guarded. People dreamed about it and used it as a backdrop for their fantasies."

It is a foreign place within a nation that has become foreign to itself. Though Theroux does not draw the comparison directly, it is clear that he sees this America of the future as shaped by two influences of the present: Reaganism and apartheid. Theroux's America is divided not by race but by money. Citizens are required to carry identification cards and are sorted into classes. At the top are the haves, the "Owners"; beneath them are lower orders, with varying but limited privileges, reaching bottom with the "workers and low-grade Federals, and all the other tribal types who were known collectively as aliens." To the Owners, the aliens are as foreign and as terrifying as savages or cannibals; as much as anything else, "O-Zone" is about how a very small group of Owners gradually comes to learn that aliens are every bit as human as they.

Though "O-Zone" is a densely plotted novel, populated by a larger cast of characters than Theroux has assembled in any of his other novels, recapitulating the plot and analyzing the characters are not really necessary to a discussion of the book's strengths and weaknesses. Suffice it to say that several Owners from New York City receive permission to fly to the O-Zone — the first to receive such freedom — and do so rather as a lark. When they make contact with a roaming band of aliens, their lives are changed:

"After all that — two surprising days that had exhausted him by soaking him in fear and excitement — the world looked different to Hooper Allbright. Had the world changed; or had he? The O-Zone trip gave him a way of dating his life. He now had a sense of time, a feeling of before and after. It was scratched on his memory in a long raw stroke that would heal but always remain as a narrow scar."

Although Hooper Allbright and a few others find love and at least a measure of absolution, for the most part "O-Zone" takes a bleak view. It imagines an America divided by money and fear, where great cities have become fortresses isolating the rich from the impoverished and alien, where guards control access to cities and buildings, where the powerful and privileged are out of touch with "the heart of America."

Though Theroux attempts to ameliorate the novel's bitterness with a couple of love stories and with a 15-year-old boy's struggle toward maturity, this more human aspect seems forced. "O-Zone" is not really a story about people, but a devastating and ingenious attack on a society that has lost touch with its roots. This political strain is not new to Theroux's work, but here it dominates. As usual in such cases, the book is more effective as politics than as fiction. Since the characters exist primarily to dramatize various aspects of Theroux's political argument, he never works up much interest in them as people.

This is not a fatal flaw, because so much in "O-Zone" is smart, funny, knowing and inventive. But it does indicate the terms on which the novel must be approached.

Jonathan Yardley is on the staff of The Washington Post.

Solution to Friday's Puzzle

L	I	S	T		S	W	A	P	S		S	A	L	T
O	S	A	R		P	A	L	E	O		P	L	E	A
B	U	T	I	S	I	T	A	R	T		O	M	O	O
O	P	U	L	E	N	T		S	O	R	O	S	I	S
		R	O	T	E		T	O	L	A	N			
S	I	N	G	S		C	A	N		M	E	S	S	A
P	R	A	Y		B	O	N	A	P	A	R	T	E	S
R	E	L			A	N	G	L	O			R	A	H
A	N	I	M	A	L	C	U	L	E		C	U	T	E
Y	E	A	R	S		H	A	Y		B	A	C	O	N
		S	E	P	O	Y		B	O	R	T			
A	I	R	M	A	I	L		C	O	M	P	U	T	E
D	R	E	I		L	O	G	A	N	B	E	R	R	Y
M	A	S	T		A	G	O	N	E		L	A	I	R
S	E	T	H		R	Y	O	T	S		S	L	O	E

9/8/86

BRIDGE

By Alan Truscott

ON the diagramed deal North had to struggle in four hearts doubled, as shown, against the effective opening lead of a trump. She won in dummy and led a spade, putting East to the test. He did the right thing by playing the ace but failed to find the wining continuation, a very difficult one.

He played his remaining trump and South won with dummy's eight, threw a diamond on the spade king and led a diamond. East put up the king, and followed with a small diamond when his partner signaled with the queen. South cross-ruffed in the minor suits to reach this ending:

NORTH
♠ 10 8
♡ 8
◇ 10
♣ —

WEST
♠ J 9 5 7
♡ —
◇ —
♣ —

EAST
♠ —
♡ —
◇ A
♣ A Q 10

SOUTH
♠ —
♡ K
◇ —
♣ K J 4

North led the diamond ten from dummy and discarded a club, end-playing East. To beat her, East would have had to underlead his diamond honors at the third trick. Then he could win the second round of diamonds and play his remaining trump with decisive effect.

NORTH
♠ K 10 6 4
♡ A 9 5 6 3
◇ 10 8 3 2
♣ —

WEST
♠ J 9 5 7 3 2
♡ 10
◇ Q J 5
♣ 9 8 5

EAST (D)
♠ A 5
♡ 5 4
◇ A K 7 4
♣ A Q 10 7 6

SOUTH
♠ Q
♡ K Q J 7 2
◇ 9 6
♣ K J 4 3 2

Both sides were vulnerable. The bidding:

East	South	West	North
1 ♣	1 ♡	Pass	4 ♡
Dbl.	Pass	Pass	Pass

West led the heart ten.

هكذا من الأصل

هكذا من الأصل

SPORTS

Bears Outlast Browns, Payton Gains 113 Yards, As NFL Opens Season

The Associated Press

CHICAGO — Dennis Gentry returned a kickoff 91 yards (83 meters) for a touchdown Sunday and Walter Payton rushed for 113 yards and scored twice as the Super Bowl champion Chicago Bears opened the National Football League season with a 41-31 victory over the Cleveland Browns.

The game saw the first use of the new instant-replay official when, on the third play from scrimmage, the Browns' Al Gross was credited with a touchdown after a bad snap from the Bears' center bounded into the end zone. The on-field officials did not call a safety or a touchdown until they got the word from the replay booth that it was a touchdown.

Payton scored on a two-yard run and an 11-yard pass from Jim McMahon, and Wilber Marshall returned an intercepted pass 58 yards for another Chicago touchdown. But the Browns kept the outcome in doubt until Chicago's Matt Suhey scored on a six-yard run with 2:01 left.

Redskins 41, Eagles 14: In Washington, quarterback Jay Schroeder threw for two touchdowns and ran for one against Philadelphia to spoil Buddy Ryan's debut as an NFL head coach.

Washington running back Kelvin Bryant, playing his first game in the NFL after a three years in the U.S. Football League, scored twice. His 16-yard touchdown run in the third quarter made it 34-14.

Ryan, who directed the defense of the Super Bowl champion Bears last season, saw his new team give up 433 yards.

49ers 31, Bucs 7: In Tampa, Florida, Joe Montana passed for 356 yards and one touchdown and San Francisco intercepted Tampa Bay quarterback Steve DeBerg seven times.

Montana, who missed three weeks of the preseason with a sprained ankle, completed 32 of 46 passes, with a four-yard TD toss to Mike Wilson in the first quarter.

Oilers 31, Packers 3: In Green Bay, Wisconsin, Warren Moon threw touchdown passes of 29 and 44 yards and ran 3 yards for another score for Houston.

NFL ROUNDUP

He completed 14 of 21 passes for 218 yards to complement Mike Rozier's 83 yards on 23 carries.

Falcons 31, Saints 10: In New Orleans, quarterback Dave Archer threw for two touchdowns and set up two more with his running and passing for Atlanta.

Running back Cliff Austin, who began his career as a Saint, gained 104 yards on 27 carries; previously, he had 28 carries for 133 yards in three seasons.

Lions 13, Vikings 10: In Minneapolis, James Jones rushed for a career-high 174 yards and scored his team's touchdown as Detroit spoiled the coaching debut of Minnesota's Jerry Burns.

Rams 16, Cardinals 10: In St. Louis, Eric Dickerson ran for 193 yards and two touchdowns as Los Angeles marred Gene Stallings' debut as coach.

Dickerson, while topping the 100-yard rushing mark for the 25th time, scored on runs of 1 and 16 yards; he carried 38 times, his most in 47 pro games.

Hasse Persson/Reuters-UPI

Boris Becker, the No. 3 seed in the U.S. Open, was both down and out in New York after his 4-6, 6-3, 6-4, 3-6, 6-3 defeat by Miloslav Mecir, seeded 16th, in the men's semifinals.

Navratilova Beats Sukova For 3d U.S. Open Title

Compiled by Our Staff From Dispatches

NEW YORK — Martina Navratilova defeated Helena Sukova of Czechoslovakia, 6-3, 6-2, on Sunday to win her third U.S. Open women's singles tennis title in four years.

The match, which took just one hour, was something of an anticlimax after the pulsating three-set semifinal Navratilova had to fight out on Friday and Saturday with Steffi Graf of West Germany.

"I wasn't surprised she played as well, but I was surprised I didn't play as well as I could," said Sukova, who had advanced to the championship match by upsetting second-seeded Chris Evert Lloyd in the other semifinal.

"I expected a closer match today, but I think you got your money out of me yesterday." Navratilova told the crowd at Louis Armstrong Stadium, referring to her 6-1, 6-7, 7-6, rain-delayed victory over Graf.

The world's top-ranked woman player spotted Sukova, the No. 7 seed, a 3-1 lead in the opening set before roaring back to win seven straight games. Navratilova broke the 6-foot-2 (1.90-meter) Sukova's serve three consecutive times over that stretch.

On the championship point, Navratilova hit a backhand volley for a winner.

It was Navratilova's second straight Grand Slam crown — she won Wimbledon in July — and her 15th Grand Slam singles title.

(AP, UPI)

Carol Newsom/Reuters-UPI

Martina Navratilova was stretched to the point of defeat against 17-year-old Steffi Graf in the women's semis.

■ 2 Generations

Earlier, John Feinstein of The Washington Post reported from New York:

At 4:03 P.M. on Saturday, on a warm, sun-splashed day, time froze for women's tennis. Two generations glared at each other across the net, one charging, the other desperately defending the throne.

For the third time, Navratilova had match point. Graf had had three. It was 9-8, last-set tie breaker, and Navratilova was serving.

One last time, Navratilova reached back and hooked in her left-handed serve, aiming for Graf's backhand. Graf wound up, swung and the ball slammed into the net. Navratilova shrieked, happily. She had won her semifinal, finally, after two days and two hours and 16 minutes, 6-1, 6-7 (3-7), 7-6 (10-8). And she had delayed, at least for this day, the inevitable passing of the torch to Graf.

"I'd had so many chances," Navratilova said. "I wanted to end it there. Of course she had had chances, too."

Navratilova is six weeks shy of 30. Graf is two months past 17. It is when generations cross that tennis produces its most special moments. This was one of them.

They had begun on Friday and been stopped by rain with Navratilova leading, 4-1. They had waited through the first men's semifinal, and then turned the stadium at the National Tennis Center into a caldron of emotion and sound.

"I was lucky and I was gutsy," Navratilova said. "You get match points against you, anything can happen. On one she hit a forehand that was out, well out, but who knows? She could just as easily have hit a winner."

Graf said, "Martina is the best player, but she's not so much better than the others. I am getting closer now all the time."

■ Lendl, Mecir in Final

Mr. Feinstein also reported:

Ivan Lendl and Miloslav Mecir, who were to meet later Sunday in the men's final, were the first non-Americans from the same country to play in the final since the U.S. Open began 107 years ago.

Both were born in Czechoslovakia, but they have grown up to live worlds apart, literally and figuratively.

Lendl, 26, born in Ostrava, is a resident of Greenwich, Connecticut. He studies baseball box scores, drives a Mercedes, loves New York City and hungers to dominate the game of tennis.

Saturday, he was as dominant as can be, surviving a close first set and then blowing away Stefan Edberg of Sweden, 7-6 (8-6), 6-2, 6-3.

Mecir, 22, was born in Prievidza and now lives in Prague. He loves fishing by himself, hates New York, is uncomfortable in this tournament and wishes he were home.

So does Boris Becker. Saturday night, Mecir ended Becker's hopes of adding this championship to his two Wimbledon titles, upsetting the West German, 4-6, 6-3, 6-4, 3-6, 6-3. Becker never attacked, letting Mecir dictate the pace of the match. That was his undoing.

"It's very disappointing," Becker said. "I tried as hard as I could. But the guy is very tough to play. You never know with him. He's so unpredictable. He makes an easy mistake on one ball and then hits three straight you can't touch."

Mecir, ranked No. 15 in the world, was happy, but not ecstatic. "I was just glad I won my first-round match," he said. "Now I am in the final. It's nice."

Mecir, bearded and funny, is enigmatic to his fellow players because he is so easygoing they wonder sometimes if he really cares. He can have a week like last week when he beats Mats Wilander, Joakim Nystrom and Becker in succession. He can also have weeks when he plays so poorly that he is reduced to serving underhand.

No. 1 Oklahoma Embarrasses No. 4 UCLA, 38-3

Compiled by Our Staff From Dispatches

NORMAN, Oklahoma — After the way Oklahoma handled UCLA, it appears the only thing that can stop the Sooners is a ticket scandal.

No. 1 Oklahoma, the reigning U.S. college football champion, beat UCLA, 38-3, with such an alarming display of power Saturday that the rest of the Sooners' season probably should be canceled so they can report immediately to the Orange Bowl to clobber someone else.

Why waste time? Just look what they did to UCLA, the supposedly the No. 4 team, before 75,004 people at Owen Field.

Using a hefty size advantage, the Sooners gained 470 yards (428 meters) rushing against a UCLA defense that had allowed only 865 all last season.

"We were badly embarrassed by a much superior football team in every way," said the UCLA coach, Terry Donahue.

Oklahoma's coach, Barry Switzer, said, "We're just too big and too physical on our offensive line for their defensive line. We dominated the game from the first snap."

Oklahoma's defenders intercepted five passes by Matt Stevens, setting up two touchdowns; held the Bruins to 34 yards rushing; allowed UCLA to cross midfield only twice and delivered UCLA's worst opening-game defeat in 56 years.

"I played as horrible as anyone can play," said Stevens, a senior quarterback. "I just threw the ball bad." He had 14 completions in 28 attempts for 112 yards.

The Bruins were trailing just 10-3 late in the second quarter, but the third interception did them in.

Linebacker Paul Migliazzo picked off Stevens's pass at the UCLA 37. Five plays later, from the 1, Oklahoma's quarterback, Jamelle Holieway, pitched to halfback Patrick Collins, and he ran into the end zone for a 17-3 lead.

In the third quarter, the Sooners scored twice more.

Miami 23, Florida 15: In Gainesville, Florida, Melvin Bratton scored on runs of 24 and 20 yards and No. 3 Miami's defense stymied No. 13 Florida, which saw its 21-game home winning streak ended.

Tennessee 35, New Mexico 21: In Knoxville, Tennessee, tailback Keith Davis made touchdown runs of 46 and 14 yards as the No. 10 Volunteers rolled to victory despite playing without 10 team members who were suspended for violating NCAA rules on complimentary game tickets.

Nebraska 34, Florida State 17: In Lincoln, Nebraska, sophomore quarterback Steve Taylor ran for two touchdowns and passed for two as the No. 8 Cornhuskers beat the No. 11 Seminoles. NCAA-ordered suspensions of 60 Nebraska players for complimentary ticket violations had been postponed until Tuesday.

Akron 35, Salem (West Virginia) 0: In Akron, Ohio, Gerry Faust was victorious in his first game as Akron's coach. Faust was dismissed last year by Notre Dame after five years there. *(LAT, AP)*

COLLEGE FOOTBALL

Spinks Stops Tangstad in 4th Round; Tyson Wins With 25th Knockout

The Associated Press

LAS VEGAS — Michael Spinks knocked down Steffen Tangstad twice in the fourth round with crashing left hooks and stopped the challenger from Norway to retain the International Boxing Federation heavyweight championship Saturday night.

Although Tangstad staggered up after the second knockdown, referee Richard Steele gave him the mandatory eight-count and stopped the fight at 58 seconds of the round.

Spinks is the only light-heavyweight champion to win the heavyweight title. His victory followed a devastating second-round triumph by unbeaten heavyweight Mike Tyson over Alfonzo Ratliff.

It was the 25th knockout and 27th victory for Tyson, who is scheduled to challenge Trevor Berbick for the World Boxing Council title on Nov. 22 in Las Vegas as part of the HBO television heavyweight title series. However, Berbick has been offered $3 million to fight Gerry Cooney outside the HBO tournament.

Spinks's victory was his 30th with no defeats, and the 20th knockout for the 30-year-old, who weighed 201 pounds (91.1 kilograms) to 214¾ for Tangstad.

"I thought I could be heavyweight champion of the world but it didn't work out that way," Tangstad said. "I did as best as I could. He was better than I thought."

The beginning of the end came at 1:45 of the third round, when Spinks shot two left jabs to the Norwegian's face and followed with a right hand to the jaw that put him down.

Tangstad, 27, was the aggressor in the first round and seemed to have an edge as a large Norwegian contingent in the crowd of 6,000 at an indoor arena chanted "Tangstad, Tangstad, Tangstad!"

But Spinks, who enjoyed a 6½-inch reach advantage over the European champion, speared Tangstad with hard left jabs in the second round and rattled him with a couple of good left hooks and a left-right-left combination.

Tyson, of Catskill, New York, who weighed 221¼, knocked down the 6-foot-5 Ratliff, 201, of Chicago, with a thunderous right uppercut in the second round. After Ratliff rose, Tyson backed him to the ropes and hurt him badly with a right and knocked him down with another left. Referee Davey Pearl didn't even bother to count and stopped the fight at 1:41.

In another fight, Bobby Czyz of Wanaque, New Jersey, stopped Slobodan Kacar, a Yugoslavian living in Miami, at 1:10 of the fifth round and won the IBF light-heavyweight championship.

Charles Bonduel/Reuters

Alfonzo Ratliff slumped over the ropes after Mike Tyson hit him with a hard right during the second round, when Tyson won their heavyweight bout in Las Vegas by a knockout.

Marino Contract To Pay $9 Million

New York Times Service

NEW YORK — Dan Marino and the Miami Dolphins have agreed on a six-year contract that guarantees the quarterback $9 million and will make him one of the best-paid players in the National Football League, if not the best.

Although the yearly value of the agreement reached late Thursday, $1.5 million, is slightly less than what quarterback Jim Kelly will get from $8 million over five years from the Buffalo Bills, Marino's entire contract is guaranteed against playing skill and injury. That means that if he is injured or released, he still will get the full amount; Kelly has a playing-skill guarantee for the first three seasons, and the Bills gave him an additional $150,000 toward an insurance policy against injury.

Marino will get a signing bonus of $2 million and annual base salaries, starting this season, of $500,000, $500,000, $1.45 million, $1.45 million, $1.5 million and $1.6 million. He also has incentives that could bring another $100,000 per year.

SCOREBOARD

Baseball

Friday's and Saturday's Major League Line Scores

FRIDAY'S RESULTS
AMERICAN LEAGUE

Toronto 000 000 000—0 4 2
Chicago 140 000 00x—5 8 0
Johnson, Caruthi (2), Eichhorn (8) and Ennis; Dotson and Kenkovics. W—Dotson, 10-12. L—Johnson, 4-2.

Minnesota 001 000 020— 2 10 1
Boston 005 220 02x—12 11 1
Viola, Pastore (4), Fontenot (5) and Salas; Clemens, Crawford (8), Stanley (9) and Gedman. W—Clemens, 21-4. L—Viola, 13-11. HRs—Min, Hrbek (28). Bos, Rice (15), Barrett (4), Buckner (11).

Seattle 002 040 110—8 12 0
Baltimore 100 000 010—2 6 0
Moore and S.Bradley; Dixon, Bordi (5), Havens (9) and Dempsey. Stefero (9). W—Moore, 10-11. L—Dixon, 10-11. HR—Sea, P.Bradley (11).

Cleveland 013 202 101—13 15 0
Milwaukee 000 010 013— 5 10 4
Nieko, Oelkers (8), D.Jones (8) and Bando; Wegman, Clutterbuck (4), Bosio (7) and Schroeder. W—Nieko, 11-10. L—Wegman, 4-11. HRs—Cle, Snyder (21), Jacoby (14). Mil, Yount (6).

Detroit 020 001 220—5 10 0
Oakland 310 000 000—4 12 1
Terrell, O'Neal (2), Cary (6), Thurmond (7) and Heath; Rijo, Von Ohlen (7), Plunk (8), Leiper (9) and Tettleton. W—Cary, 1-2. L—Von Ohlen, 0-2. Sv—Thurmond (1). HR—Det, Lemon (8).

New York 001 302 001—7 10 2
California 010 102 000—4 7 0
Drabek, Fisher (6), Righetti (7) and Skinner; Chadwick, Finley (4), Lucas (7) and Boone. W—Drabek, 4-7. L—Chadwick, 0-4. Sv—Righetti (35). HRs—Col, Jackson 2 (13).

Kansas City 000 002 112—4 7 0
Texas 100 000 00x—2 10 1
Sandstead, Cone (5) and Quirk; Witt, Russell (7), Harris (9) and Porter. W—Witt, 8-9. L—Sandstead, 8-8. Sv—Harris (16). HRs—KC, Smith (7), Balboni (29). Tex, Porter (9).

NATIONAL LEAGUE

Chicago 002 000 000— 2 7 1
Cincinnati 101 224 10x—11 13 1
Sutcliffe, R.Davis (6), DiPino (7) and J.Davis, Martin (7); Browning and Diaz. Butera (8). W—Browning, 12-11. L—Sutcliffe, 4-13. HRs—Cin, Parker 2 (28), Esasky (13).

Pittsburgh 000 201 000—3 8 0
Atlanta 200 000 101—4 7 1
Rhoden and Pena; Alexander, Assenmacher and Virgil. W—Assenmacher, 6-2. L—Rhoden, 15-8.

San Francisco 000 400 013—8 13 0
Montreal 100 012 000—4 9 2
Blue, Berenguer (6), Garrelts (6) and Melvin; Tibbs, McGaffigan (4), Burke (7), Reardon (9) and Hunt, Fitzgerald (9). W—Garrelts, 12-9. L—Burke, 8-7. HR—SF, Garrelts (1).

St.Louis 017 020 103—8 11 0
Houston 101 200 001—5 11 2
Conroy, Soff (5), Horton (8), Worrell (9) and LaValliere; Deshales, Andersen (5), Lopez (7), Kerfeld (9) and Ashby. W—Soff, 2-0. L—Lopez, 3-2. HRs—St.L, Lindeman (1). Montreal (1). Hou, Hatcher (5). Driessen (1).

Los Angeles 000 000 000—0 6 1
Philadelphia 000 000 22x—4 6 0
Hershiser, Powell (7), Beckwith (8) and Scioscia; Carman, Bedrosian (8) and Russell. W—Carman, 8-5. L—Hershiser, 12-11. Sv—Bedrosian (23). HR—Phi, Hayes (13).
(Sax Diego at New York, ppd., rain)

SATURDAY'S RESULTS
AMERICAN LEAGUE

Minnesota 002 000 000—2 6 1
Boston 000 000 111—3 9 0
Portugal, Frazier (7), Atherton (9) and Reed; Boyd and Gedman. W—Boyd, 14-9. L—Frazier, 9-1.

Toronto 000 100 002—4 3 0
Chicago 000 000 000—0 5 2
Key, Hanks (9) and Martinez; Bannister and Karkovice, Nossey (9). W—Key, 12-9. L—Bannister, 9-11. HR—Tor, Bell (30).

Detroit 110 002 000 0—4 8 1
Oakland 011 010 100 1—5 10 0
Morris, Campbell (10) and Lowry; Andujar and Willard. W—Andujar, 9-4. L—Campbell, 3-6. HRs—Det, Gibson 2 (22).

Seattle 130 020 000—6 11 1
Baltimore 010 010 000—2 5 0
Morgan and S. Bradley; Boddicker, Havens (2), Aase (9) and Stefero. W—Morgan, 10-15. L—Boddicker, 14-10. HR—Sea, Phelps (21).

Kansas City 020 100 000—4 6 1
Texas 012 102 000—4 10 1
Leibrandt, Farr (4), Saberhagen (7) and Quirk; Correa, Mahoric (7) and Mercado. W—Correa, 9-12. L—Farr, 8-4. Sv—Mahoric (6). HRs—KC, Quirk (4). Tex, Mercado (1), Sierra (10), Incaviglia 2 (23).

Cleveland 720 134 100—17 23 2
Milwaukee 000 025 101— 9 11 5
Swindell, Schulze (6), Oelkers (8), Yett (8) and Allanson; Nieves, Knudson (1), Leary (6), Clear (9) and Carrone. W—Swindell, 1-1. L—Nieves, 10-9. HRs—Cle, Carter 2 (27), Jacoby (15), Bernazard (14). Mil, Sveum (6), Gantner (7), Deer (22).

New York 000 000 011—2 7 4
California 013 210 11x—9 12 0
Niekro, Tewksbury (3), Arnsberg (6) and Skinner; Witt and Boone. W—Witt, 17-8. L—Niekro, 9-10. HRs—NY, Easler (12). Cal, DeCinces (22), Downing (16), Hendrick (12).

NATIONAL LEAGUE

San Diego 012 000 000—3 13 0
New York 001 001 02x—4 8 0
Hawkins, Lefferts (8), McCullers (8) and Kennedy; Darling, Orosco (8) and Carter. W—Orosco, 6-5. L—McCullers, 7-7. HRs—SD, Garvey (21). NY, Carter 2 (21).

St. Louis 000 005 100—6 14 0
Houston 020 000 000—2 10 1
Forsch, Perry (3), Horton (7), Worrell (9) and Lake, LaValliere (7); Knepper, Andersen (7), Kerfeld (9) and Mizerock, Wine (7). W—Kerfeld, 9-2. L—Worrell, 5-10. HRs—St.L, Lake (1). Hou, Davis (28), Cruz (7).

Chicago 000 000 100—1 6 1
Cincinnati 101 000 30x—5 10 2
Eckersley, Gumpert (7), Hoffman (7), Sanderson (7) and J.Davis; Power, Robinson (8) and Diaz. W—Power, 6-6. L—Eckersley, 6-9.

Los Angeles 120 000 000—3 10 2
Philadelphia 200 000 00x—2 6 1
Valenzuela and Scioscia; Gross, Hume (4), Hudson (6), Schatzeder (7), Tekulve (9) and Russell. W—Valenzuela, 12-9. L—Gross, 9-11. HR—Phi, Schmidt (31).

Pittsburgh 010 000 100—2 5 0
Atlanta 004 000 00x—4 2 0
Fansler, Smiley (5), Walk (6), H.Pena (7), Robinson (8) and T.Pena; Palmer, Dedmon (7) and Virgil. W—Palmer, 11-8. L—Fansler, 9-1. Sv—Dedmon (3). HRs—Pit, Morrison (18). Atl, Horner (22).

San Francisco 000 000 100—1 5 1
Montreal 000 000 02x—3 6 2
Downs, Williams (8) and Melvin. Brenly (7); Martinez, McClure (8), Reardon (9) and Blondello, Hunt (8). W—McClure, 1-3. L—Williams, 9-1. Sv—Reardon (30).

Football

Selected College Scores

EAST

Delaware 44, Rhode Island 10
Delaware St. 30, Boston U. 3
Mississippi St. 24, Syracuse 17
Penn St. 45, Temple 15
Rutgers 11, Boston College 9
W. Virginia 47, N. Illinois 14

SOUTH

Akron 35, Salem, W.Va. 0
Alabama 42, Vanderbilt 10
Auburn 42, Tn.-Chattanooga 14
Cincinnati 24, Virginia Tech 20
Florida A&M 17, Tuskegee 9
Miami, Fla. 23, Florida 15
Mississippi 28, Memphis St. 6
N. Carolina 45, Citadel 14
N. Carolina St. 38, E. Carolina 10
Oklahoma St. 21, SW Louisiana 20
Tennessee 35, New Mexico 21
Virginia 20, S. Carolina 20
Wake Forest 21, Appalachian St. 13
William & Mary 42, Colgate 21

MIDWEST

Bowling Green 21, Ohio U. 16
DePauw 31, Franklin 28
Duke 17, Northwestern 6
E. Michigan 21, W. Michigan 14
Illinois 22, Louisville 8
Kent St. 18, Toledo 16
Miami, Ohio 45, Ball St. 7
Nebraska 34, Florida St. 17
SW Baptist 28, Cent. Methodist 9
Washburn 16, S. Dakota 14
Wichita St. 69, San Francisco St. 6

SOUTHWEST

Air Force 23, Texas-El Paso 21
Oklahoma 38, UCLA 3
Rice 28, Lamar 14
Texas Tech 41, Kansas St. 7

FAR WEST

Arizona 37, Houston 3
Baylor 31, Wyoming 28
Brigham Young 52, Utah St. 0
Colorado St. 23, Colorado 7
Oregon 21, San Jose St. 14
San Diego St. 27, Long Beach St. 24

CFL Standings

EASTERN DIVISION

	W	L	T	PF	PA	Pts
Toronto	6	3	0	211	195	12
Hamilton	4	5	0	215	196	8
Montreal	2	7	0	139	229	4
Ottawa	2	8	0	189	291	4

WESTERN DIVISION

Brit Clmb	8	2	0	268	211	16
Edmonton	6	3	0	272	193	12
Winnipeg	6	4	0	301	211	12
Calgary	5	5	0	226	220	10
Saskatchewan	4	6	0	211	286	8

Thursday's Result
British Columbia 40, Ottawa 10
Friday's Result
Winnipeg 28, Saskatchewan 14

Transition

BASEBALL
American League

BOSTON—Activated Glenn Hoffman, shortstop, from the 21-day disabled list.
CLEVELAND—Fired Don Carnevale, scout.
DETROIT—Purchased the contract of Tim Tolman, outfielder-first baseman, from Nashville of the American Association.
National League
MONTREAL—Said John McHale will retire after the 1987 season, and that Claude Brochu will succeed McHale as president and chief operating officer.
NEW YORK—Recalled Rick Anderson and Randy Myers, pitchers, from Tidewater, International League. Called up Stan Jefferson, outfielder, and Dave Magadan, infielder, from Tidewater.
PITTSBURGH—Purchased Rich Renteria, infielder, from Hawaii, Pacific Coast League.

FOOTBALL
National Football League

DETROIT—Activated William Graham, safety. Waived Kevin Hancock, linebacker.
HOUSTON—Said that Harvey Salem, offensive tackle, has returned to the team.
KANSAS CITY—Signed David Lutz, offensive tackle, to a four-year contract.
MIAMI—Signed Dan Marino, quarterback, to a six-year contract. Suspended Mike Charles, nose tackle, for four games. Activated Doug Betters, defensive lineman.
WASHINGTON—Activated Dexter Manley, defensive end. Placed Mark Rypien, quarterback, on injured reserve.

HOCKEY
National Hockey League

HARTFORD—Signed Tim Bothwell and Mike McEwen, defensemen, to multiyear contracts.
ST. LOUIS—Signed Mark Hunter and Doug Evans, forwards, and Mike Posavad, defenseman, to multiyear contracts. Signed Greg Millen and Darrel May, goalies, and Cliff Ronning, center, to multiyear contracts.

COLLEGE

ARMY—Named Maggie Morris women's tennis coach; Bob Thompson lightweight football coach; Andy Bowers water polo coach; Brian Baker and Denny Deerabos assistant varsity football coaches; Paul Donato and Bruce Graham assistant hockey coaches; Renee DeVarney assistant women's basketball coach; Ron Chiason assistant women's soccer coach, and Tofolo Iafeta assistant women's volleyball coach.
BALL STATE—Named Ethel Gregory women's basketball coach.

European Soccer

ENGLISH FIRST DIVISION

Arsenal 0, Tottenham 0
Aston Villa 1, Oxford United 2
Charlton Athletic 1, Norwich City 2
Chelsea 1, Luton Town 3
Everton 0, Queens Park Rangers 0
Leicester City 1, Manchester United 1
Manchester City 0, Coventry City 1
Newcastle United 2, Sheffield Wednesday 3
Southampton 1, Nottingham Forest 3
Watford 0, Wimbledon 1
West Ham United 2, Liverpool 5
Points Standings: Wimbledon 12; Liverpool, Nottingham Forest, Queens Park Rangers, Everton 9; Norwich City, Luton Town, Tottenham Hotspur, Sheffield Wednesday, Coventry City 8; Arsenal, West Ham United 7; Southampton 6; Manchester City, Leicester City, Oxford United 5; Watford, Charlton Athletic 4; Chelsea, Aston Villa 3; Newcastle United 2; Manchester United 1.

WEST GERMAN FIRST DIVISION

Hamburg 3, Fortuna Dusseldorf 1
Waldhof Mannheim 2, Cologne 0
Eintracht Frankfurt 2, Kaiserslautern 2
Bayer Uerdingen 2, Borussia Dortmund 4
Bayer Leverkusen 2, Nuremberg 0
Bayern Munich 3, Hamburger SV 1
Bochum 1, Borussia Monchengladbach 1
Stuttgart 4, Schalke 0
Blau-Weiss Berlin 1, Werder Bremen 4
Points Standings: Bayer Leverkusen, Bayern Munich 9; Werder Bremen 8; Hamburger SV 7; Stuttgart, Kaiserslautern, Borussia Dortmund, Eintracht Frankfurt, Waldhof Mannheim 6; Bayer Uerdingen, Bochum, Schalke 5; Blau-Weiss Berlin, Hamburg 3; Borussia Monchengladbach, Fortuna Dusseldorf 2; Nuremberg, Cologne 1.

Tennis

U.S. Open Results

MEN'S SINGLES
Semifinals

Ivan Lendl (1), Czechoslovakia, def. Stefan Edberg (4), Sweden, 7-6 (8-6), 6-2, 6-3.
Miloslav Mecir (16), Czechoslovakia, def. Boris Becker (3), West Germany, 4-6, 6-3, 6-4, 3-6, 6-3.

WOMEN'S SINGLES
Semifinals

Martina Navratilova (1), U.S. def. Steffi Graf (3), West Germany, 6-1, 6-7 (3-7), 7-6 (10-8).
Final
Martina Navratilova (1), U.S., def. Helena Sukova (7), Czechoslovakia, 6-3, 6-2.

WOMEN'S DOUBLES
Semifinals

Hana Mandlikova, Czechoslovakia, and Wendy Turnbull, Australia, def. Elise Burgin, U.S., and Rosalyn Fairbank, Australia, 4-6, 7-6 (8-6), 6-0.

MIXED DOUBLES
Final

Raffaella Reggi, Italy, and Sergio Casal, Spain, def. Martina Navratilova and Peter Fleming, U.S., 6-4, 6-4.

SPORTS BRIEFS

Italian Wins Cycling Championship

COLORADO SPRINGS (WP) — Moreno Argentin of Italy sprinted to a narrow victory Saturday in the professional road race of the world cycling championships.

Argentin, 25, broke away from the pack two-thirds of the way through the 162-mile (262-kilometer) race and held on to finish one second ahead of Charly Mottet of France, in the time of 6 hours, 32 minutes, 38 seconds. Giuseppe Sarroni of Italy rallied from a fall in the 14th lap of the 17-lap race to place third.

Greg LeMond of the United States and Bernard Hinault of France never threatened. LeMond, recovering from flu, wound up seventh and Hinault was 59th in the 141-man field.

Piquet Beats Mansell in Italian Prix

MONZA, Italy (AP) — Nelson Piquet of Brazil, driving a Williams-Honda, won the Italian Formula One Grand Prix on Sunday over his teammate, Nigel Mansell.

Piquet passed Mansell in the 38th lap of the 51-lap race and the Briton could not catch up. Sweden's Stefan Johansson, in a Ferrari, was third.

Piquet finished in 1 hour 17:42.889 minutes at an average speed of 141.37 mph (228.37 kph). He earned nine points and moved into second in the world championship standings with 56 points after 13 events of the 16-race competition. Mansell held on to first place, with 61 points.

Fehr Leads in 3d Round of B.C. Golf

ENDICOTT, New York (AP) — Rick Fehr continued his hot putting and took sole possession of the lead Saturday with a 4-under-par 67 in the B.C. Open golf tournament. Fehr's five-birdie performance put him at 198 after three rounds and gave him a three-stroke advantage over Larry Mize.

Mize started the round tied with Fehr but was plagued by bogeys and mustered only a 70 despite four birdies. He opened with a 20-foot birdie putt, but Fehr countered with back-to-back birdies on the second and third holes to take the lead.

Mize had fallen into the first-place tie on Friday with a three-putt double bogey on the 18th hole of the second round over the 6,966-yard EnJoie course.

For the Record

Patrizio Oliva of Italy retained his junior welterweight title of the World Boxing Association when Brian Brunette of St. Paul, Minnesota, quit Saturday in the third round of their fight in Naples. *(AP)*

Yordanka Donkova of Bulgaria broke her world record in the women's 100-meter high hurdles Sunday with a clocking of 12.26 seconds in a race at Ljubljana, Yugoslavia. Her previous mark was 12.29. *(AP)*

A U.S. seniors golf team, led by Arnold Palmer, won five matches and tied one Saturday to take an overwhelming 44.5 to 19.5 lead over an international squad after three rounds of the Chrysler Cup tournament at Potomac, Maryland. *(UPI)*

Sissy Spacek on Acting: Doing Whatever Works

By Wayne King
New York Times Service

SOUTHPORT, North Carolina — "Acting," says Sissy Spacek with a tilt of her strawberry-blond head, "is a funny thing." The last word comes out almost, but not quite, thang. That is the way a real Texas accent sounds — almost, but not quite, Southern, certainly not the broad Appalachian wind song, frost on the ridges, that Spacek did to perfection when she played Loretta Lynn in "Coal Miner's Daughter." Her real delivery is quicker, twangy, bluebonnets and banjos. It is the way Spacek talks. She wouldn't think of changing it. She says "git" and calls a facecloth a washrag. This last is revealed when Schuyler, Spacek's 4-year-old daughter, comes crying, having managed to stick the corner of a coat hanger in her eye. "Here, honey, put this washrag on it. There. Better? Yeah."

Schuyler is not hurt, but she is tired and cranky, having stayed up later than usual for the last week attending Bible school at the church.

Spacek is even smaller than she seems on the screen, 5 feet 2 inches tall. Her eyes are that pale blue so familiar to American moviegoers by now — eerie, innocent, laughing, pained, sensual. She is talking about the Sissy Spacek acting technique: doing whatever works.

"I went to acting school in New York," she says, and laughs. "I was, you know, 20." Twenny. "I went for about six months. I always laughed and said I learned more walking from my apartment on 19th Street across 14th to Lee Strasberg's than I did in the class. I remember everybody having to drink an imaginary cup of coffee — you know, sense memory. I thought it was great, but I was never able to apply any of that right away. I felt so normal compared to everyone else who was in class with me, letting out their emotions. I felt maybe I was too normal. I was working, really, before I knew exactly what I was doing."

This year, in three very different movies, Spacek's talents as a largely self-schooled Method actor are being given their fullest expression yet. The first, "Violets Are Blue," directed by her husband, Jack Fisk, was released in April to lackluster reviews, despite the casting of Spacek and Kevin Kline in the lead roles. Spacek plays a home wrecker — a woman who resumes a love affair with a man who has since married and has a young son. It is a measure of her dramatic appeal that when the troubled husband, played by Kline, chooses home and family over his lover, the feeling of loss that Spacek's character endures is shared willingly by the audience.

The other two movies — adaptations of the highly acclaimed Broadway productions "'night, Mother" and "Crimes of the Heart" — are unusual, and in some senses precarious, departures for a successful film actress. Both are faithful to the stage versions — which won Pulitzer Prizes — and both are decidedly offbeat. They are, in short, ideal vehicles for the serious stage actor.

"'night, Mother," which opens next week in the United States, is a two-woman tour de force costarring Anne Bancroft. It is the story of a young woman who calmly informs her mother, with whom she lives, that she intends to commit suicide that evening.

"Crimes of the Heart," a blackly humorous Gothic tale of the impact of a murder on a closely knit Southern family, to be released at Christmas, is considered a gamble of equal proportions by studio insiders — despite a cast that also includes Jessica Lange, Tess Harper, Sam Shepard and Diane Keaton.

Spacek did both movies out of a sense of nostalgic longing. "It was not until 'Carrie' that people started watching what I did, saying, 'What's she going to do next?' Once you've proven yourself, people expect a certain amount, a level, and more and more you try to outdo yourself. I was just doing these two films for myself. I was trying to get back to the old days — low budget. I wanted to get back to something challenging and risky."

On a hot summer afternoon in the small coastal town of Southport, Spacek offered a mental sketch of Babe MaGrath during a break in the shooting of "Crimes of the Heart."

"Babe," said Spacek, "Babe is the kind of girl that has a dinner party and the centerpiece is beautiful and her outfit is meticulous and her hair and her nails are meticulous. Everything's perfect." Pause. "Then, she forgets to put the roast in the oven!" She hoots with laughter.

Sissy Spacek: "Acting is a funny thing."

She clearly identifies with Babe MaGrath Botrelle, one of the MaGrath sisters of Hazelhurst, Mississippi, the one that Granddaddy MaGrath called his little dancin' sugar plum — who ultimately blows a sizable hole in her husband, Zachery, because she just gets tired of looking at him.

Spacek's choice of roles is nothing if not idiosyncratic. Her four Academy Award nominations for best actress have been for characterizations as diverse as Carrie, the strange, psychokinetic teenager; Beth Horman, the wife of an American journalist in "Missing"; Loretta Lynn in "Coal Miner's Daughter" — which won her an Oscar in 1981 — and Mae Garvey in "The River." But she traces her professional turning point to "Badlands," the 1973 independent production written, directed and produced by Terrence Maliek. The movie starred Martin Sheen as a psychotic mass killer loosely modeled on Charles Starkweather, and Spacek, in her second film role, at age 23, as his empty-eyed girlfriend. (On the set, Spacek met a young art director named Jack Fisk.)

"Badlands" attracted unusual critical acclaim, despite failing at the box office. It was an important victory for a young actress whose screen debut had come a year earlier in a forgettable sex-thriller called "Prime Cut." "After 'Badlands,' I thought, 'I have to maintain a certain level of filmmaking,'" she says, striking a mock Marlene Dietrich pose. "I only vanted to work on meaningful fillums."

Spacek's life with Fisk and Schuyler is unreservedly non-Hollywood. Two years ago, they sold their house in Topanga Canyon, the high-priced Los Angeles address of many movie stars, making a Virginia farm their full-time residence. There, they turned their energies to raising quarter-horses, dead smart and quick as cats. "It's not a hobby," says Fisk, who breaks the horses himself, working without a bridle, just a saddle and a prayer.

Spacek seems to draw the farm and the soft green hills about her like a cloak, taking refuge in her family, local friends, the smell of her own bread baking, the garden she tends herself. She is learning to make pottery, throwing on a foot-driven wheel. "I was having a manicure the other day, a manicure and a pedicure, and they asked me how I wanted my nails done, and I said, 'Do 'em for a gardener.' Look at this zucchini," she says, brandishing a huge, bright yellow specimen.

"You know, I love cities — New York — that's a constant and always will be. But being able to go to the gas station, and you don't even have to say, 'Charge it.' You just go, 'Hi, Blue, fill it up.' You can always depend on Blue. You know if it's snowing and you run off the road, Blue will come get you. Your word's your bond and you know people at the co-op and . . . .It's something I experienced as a kid, knowing everybody and charging things, and having somebody pull you out of the ditch.

"When I was doing "night, Mother,' I remember the first time that Schuyler came to the set, and here I was wearing gray, and my hair was severe and tied back and dyed dark and my eyes were downcast, no makeup. I thought, 'I just look horrible and feel horrible.' And then this gorgeous little baby with little rosy cheeks and red hair and freckles comes running in and says, 'Mommy! Mommy!' And it was like life.

"You know, your career is just your career. Your life is your life." Coming from Spacek, that somehow doesn't even sound corny.

LANGUAGE

Twisting the Argot of the Radio Dial

By William Safire

WASHINGTON — A new language is being pounded into our ears. It is called dialect — not the regional speech understood by speakers of the same general language, but the arcane argot of the radio dial.

"Turn off that noise," I used to say to my kids, "and play some nice music." That sentence no longer communicates; in the past, it used to draw raucous laughter, but now the words have been drained of all meaning and evoke looks as blank as tape.

To be understood (if still hooted at) today, I would have to say, "Turn off that *album-oriented rock* and play some *adult contemporary*."

But that is not what I mean. *Adult*, as a noun, still means "grown-up," but as an adjective, it has come to mean "sexy," verging on "pornographic"; like its synonym, *mature*, as in "mature audience," it means "over 15½ and old enough to flash a learner's permit."

Contemporary has also gone off the linguistic charts. Time was, the word's second syllable clung to the Latin tempus, "time," and meant "in the same time, or of the same style as in one time"; one's *contemporaries* are the fellas who used to gather for a hot game of curb ball and now, paunchy and grouchy, twist the dial looking for soothing sounds. *Contemporary* started getting confused with *modern* a few decades ago, and now its meaning wanders like an errant signal from a 250-watt station. Tempus fidgets.

"*Adult contemporary* is the category that used to be called *light rock* or *soft rock*," says David Jackson, one of the new breed of non-broadcast disc jockeys, who spins records for parties, weddings, bar mitzvahs and other social gatherings in Gaithersburg and Rockville, Maryland. "You can hear it on some classic rock stations, but it's not necessarily *oldie*, certainly not *golden oldie*."

Being really middle-aged means not recognizing the songs a younger generation calls *golden oldies*. To avert a mid-dial crisis, I am providing a rundown of my understanding of the new categories of popular music.

Album-oriented rock, or *AOR*, is a catchall term for what used to be *hard rock*, *heavy metal* and *white rock*, much of which went by the names of *acid rock*, in the hippie era of the '60s, and then *punk rock*. "It's a mix of older and newer sounds," says Mark Coleman of Rolling Stone magazine. "Pop performers like Madonna get little play on *AOR*, which also stays away from black music for the most part." It includes some classic rock, from the Hellenic era of the '70s, favorite of the yuppies, but is mostly hard-core rock that is not so hard-core, or obscene, as to get it banished from the airwaves.

For the difference between *AOR* and *adult contemporary*, I turn to Stephen Holden, who writes about popular music for The New York Times. "These are demographic terms that refer to a station's targeted audience," he explains. "*AOR* is the *progressive rock* format left over on FM from the 1970s, aimed very specifically at white teen-age males, with groups like the Rolling Stones and Led Zeppelin. *Adult contemporary*, on the other hand, is aimed at the 18-to-34 audience, both male and female, and is soft rock compared to the heavy metal of *AOR*."

Contemporary hits radio is a term that has replaced *top 40*, largely because it also covers stations that may play only the top 20. The term *top 40* never did refer, as the literal-minded might have thought, to music preferred by people over 40 years of age. It means the list of the 40 most popular numbers compiled by Billboard magazine, and the people who listen are akin to the readers who limit themselves to the best-seller lists. Sometimes a highly popular tune is part of an album; for the rest of the album — the unpopular numbers on the flip side — switch to the *AOR* station.

Urban is the new word for *inner-city*, which replaced *soul*, which means black. (There is no suburban rock; that is what separates low-growing flowers in a rock garden.) *Blue-eyed soul* comes from whites who sound black; *red-headed soul* is from the British Isles.

Rap music, such as that played at a Run-DMC concert in Long Beach, California, that was broken up by gangs who did not like the positive, moral message in the group's lyrics, was described by The Associated Press as "a driving beat and rhyming lyrics delivered in a rhythmic, singsong vocal style." *Rapping* has for several decades meant "talking"; *rap music*, usually performed by black artists, is spoken to a heavy beat. ("Run-DMC"? From Run, the nickname of Joseph Simmons, and a play on the name of Darryl McDaniels; both are members of the group. Astonish your friends with "Would you please tune down that rap music of Joseph and Darryl?")

Other radio stations offer *classical music* (you know, "Tonight We Love," "Full Moon and Empty Arms," the theme from "Elvira Madigan"). *Country music* is in a crisis of stagnancy, as Nashville seems to be blending with *light rock* or giving way to *rockabilly*. What *country* needs right now is more songs like "My Best Friend Just Ran Off With My Wife, and I Miss Him." *Progressive jazz* and the Detroit-born *Motown* are getting harder to find amid the *light rock* and *adult contemporary* merging on the *top 40*.

You can also get *easy listening*, which until recently meant the music of the '60s played in the '80s in the style of the '40s, as if Jefferson Airplane had Mantovani as pilot. This is the sort of thing you hear in upscale elevators and the best periodontists' offices; it is what many of us meant by "nice music," because it did not demand to be listened to. However, *easy listening* is getting harder; the music that used to go under that moniker is now called *nostalgia*, sometimes called *"the music of your life,"* and studded with commercials for Cadillacs and denture cleaners: The "pop" in that "pop music" is filled with codger power. The phrase *easy listening* has now shifted over to *light rock*, which is softer than *soft rock*. I await the gutsy station that advertises *hard listening*.

The one category in my local paper's listing that could not easily be defined by musical types was *MOR*. I called WWDC-AM in Washington, and the program director, Bill Scanlan, said: "That's the abbreviation for *middle-of-the-road*. We play the great pop singers and the big-bands era as well as the new material from George Shearing, Mel Torme and the Linda Ronstadt songs she did with Nelson Riddle."

That's the middle of the popular road? What, then, is right wing — William Rehnquist and the Supremes? You play your adult contemporary while I wait around for Russ Columbo, Al Jolson, Connee Boswell and Senile Reactionary.

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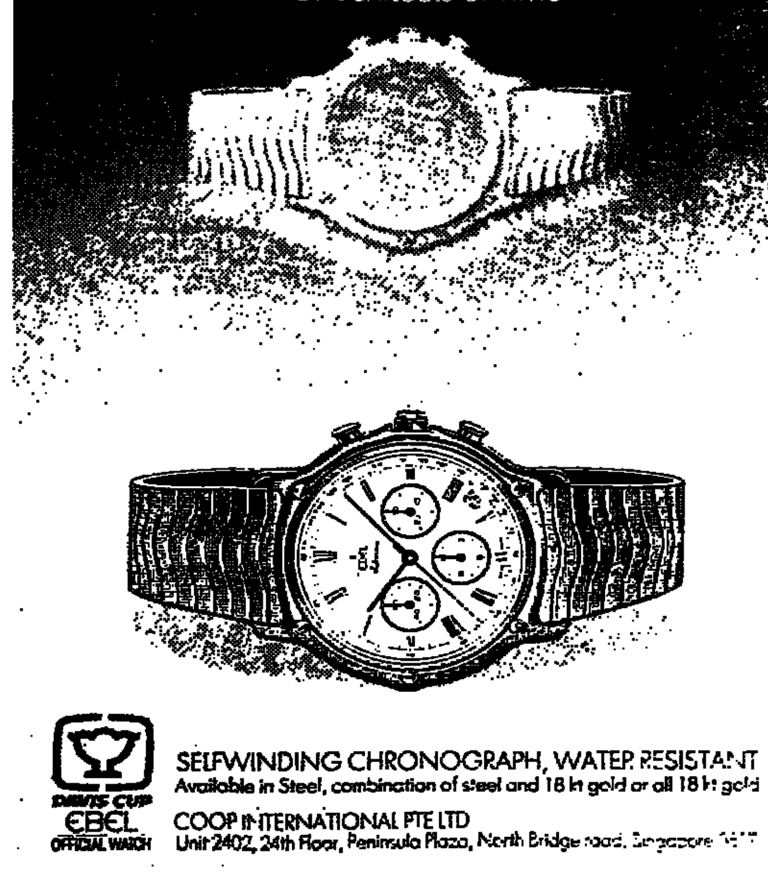

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